

# NaviPlan User Manual

## Level 1 & Level 2 Plans: Entering Client Data

(Volume V of VI)

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## Canadian version

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# Chapter 1: Using this manual

The NaviPlan user manual series includes all the instructions you need to use NaviPlan effectively. This chapter will help you use all the manuals in this series. More manuals are available on the [Learning Centre](#).

**In this chapter:**

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<b>Conventions</b> .....	<b>3</b>
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## NaviPlan User Guide Series

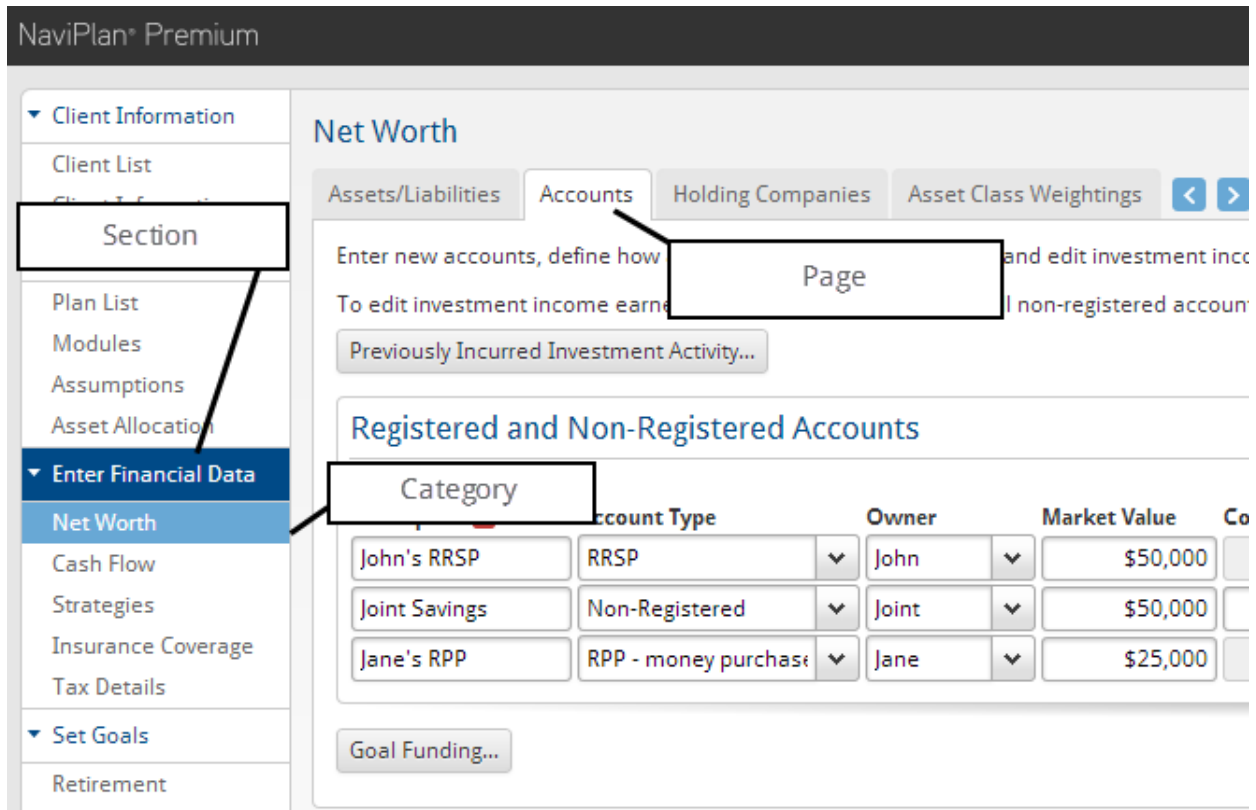
NaviPlan user guides are organized by the tasks you can accomplish in each level. If you are a new NaviPlan user, start with the ***Introduction*** user guide.

User manual	Tasks covered
<b><i>Introduction</i></b>	<ul style="list-style-type: none"> <li>■ Setting up user preferences.</li> <li>■ Creating and managing client engagements.</li> <li>■ Determining which assessment or plan level to select.</li> <li>■ Using NaviPlan workflow.</li> </ul>
<b><i>Calculators</i></b>	<ul style="list-style-type: none"> <li>■ Using calculators to model specific aspects of your clients' finances.</li> </ul>
<b><i>Forecaster Assessment</i></b>	<ul style="list-style-type: none"> <li>■ Quickly assessing your clients' current financial situation.</li> <li>■ Entering account and annuity information.</li> </ul>
<b><i>Asset Allocation Assessment</i></b>	<ul style="list-style-type: none"> <li>■ Determining your clients' investor profile.</li> </ul>
<b><i>Level 1 and Level 2 Plans: Entering client data and goals</i></b>	<ul style="list-style-type: none"> <li>■ Entering financial planning assumptions.</li> <li>■ Entering detailed net worth, cash flow, and insurance information.</li> <li>■ Adding holdings to accounts and annuities.</li> <li>■ Entering saving and redemption strategies.</li> <li>■ Entering client goals.</li> <li>■ Generating client reports.</li> </ul>
<b><i>Level 1 and Level 2 Plans: Analyzing client goals</i></b>	<ul style="list-style-type: none"> <li>■ Analyzing your clients' goals using Scenario Manager.</li> <li>■ Conducting detailed cash flow and net worth analyses.</li> <li>■ Generating Monte Carlo simulations.</li> <li>■ Creating goal scenarios.</li> <li>■ Generating client reports.</li> </ul>

## Conventions

This user guide uses the following conventions.

- The names of items on the screen are bolded and italicized. For example, the ***Clients*** page opens.
- The names of items that you must select, click, or enter appear in bold. For example, select **Recommended**, and then click **OK**.
- To help you navigate through the application, locations are separated by en dashes (–). For example, **Enter Financial Data** section – **Net Worth** – **Accounts**.



Enter Financial Data section – Net Worth category – Accounts page

To help you use this guide, please note the following abbreviations and graphics:

- AA – Refers to the Asset Allocation Assessment.
- FA – Refers to the Forecaster Assessment.
- **Level 1** – Indicates that the step or paragraph applies to Level 1 Plans only.
- **Level 2** – Indicates that the step or paragraph applies to Level 2 Plans only.
- **A. Tax** – Indicates that the step or paragraph only applies when you are using the Average Tax method.
- **D. Tax** – Indicates that the step or paragraph only applies when you are using the Detailed Tax method.

## NaviPlan Resources

Advicent provides several resources to help you use NaviPlan. The following table shows some of the resources available and where to find them.

Advicent resource	Description and location
Help	The quickest way to get information about any item within NaviPlan is to use the application Help. To access Help, select <b>NaviPlan Help</b> from the <b>Help &amp; Resources</b> menu. Help includes a glossary of terms.
Functional Documents	Functional documents explain NaviPlan functionality, underlying assumptions, and results calculations. You can access functional documents on specific topics on the related page in the <a href="#">NaviPlan Learning Centre</a> , or a list of all available functional documents on the <b>Functional Documents</b> page.
Quick Reference Guides (QRGs)	Quick Reference Guides are designed to get you started with a particular workflow in NaviPlan. You can access QRGs on specific topics on the related page in the <a href="#">NaviPlan Learning Centre</a> , or a list of all available QRGs on the <b>Quick Reference Guides</b> page.
User Guides	You can also access other user guides in this series . You can access user guides on the <b>User Guides</b> page in the <a href="#">NaviPlan Learning Centre</a> .
Training Videos	Training videos are designed to give you an overview of completing a specific task in NaviPlan. You can access videos on specific topics on the related page in the <a href="#">NaviPlan Learning Centre</a> , or a list of all available functional documents on the <b>Videos</b> page.
Take Action™ Webinars	The Take Action™ webinar series helps you get the best return on your investment in NaviPlan by showing you how to apply the software to real world situations . You can access webinars on specific topics on the related page in the <a href="#">NaviPlan Learning Centre</a> , or a list of all available functional documents on the <b>Take Action Webinars</b> page.

## Partner Support

Contact us by telephone at

(888) 692-3474

(Monday–Thursday, 7:30 a.m.–6 p.m. central time)

(Friday, 7:30 a.m.-5:00p.m. central time)

Contact us by email at

[support@advicentsolutions.com](mailto:support@advicentsolutions.com)

## Chapter 2: Entering plan assumptions

You must enter your clients' financial information into NaviPlan and set your plan assumptions before you can analyze the information and make recommendations.

**Note:** This guide assumes that you have already used NaviPlan to create a client file and to open a Level 1 or Level 2 Plan. For information about creating and managing client files, see the NaviPlan User Manual: Introduction.

NaviPlan bases its calculations on specific assumptions you define.

### In this chapter:

<b>Entering general assumptions</b>	<b>6</b>
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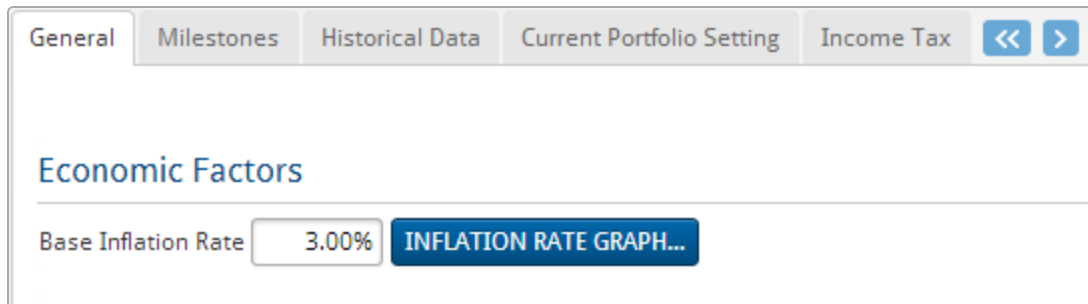
## Entering general assumptions

The **Plan Management – Assumptions – General** page varies depending on the plan level and the income tax method selected for the plan.

### Changing economic factors

To change basic economic factors, such as the inflation rate, follow these steps:

1. Go to the **Plan Management – Assumptions – General** page.



The screenshot shows a web interface with a horizontal tab bar at the top containing 'General', 'Milestones', 'Historical Data', 'Current Portfolio Setting', and 'Income Tax'. The 'General' tab is selected. Below the tabs, the section 'Economic Factors' is displayed. Under this section, there is a label 'Base Inflation Rate' followed by a text input field containing '3.00%'. To the right of the input field is a blue button labeled 'INFLATION RATE GRAPH...'. Navigation arrows '<<' and '>' are visible to the right of the 'Income Tax' tab.

Plan Management section – Assumptions category – General page (Level 2 Plan, Detailed Tax method)

2. Under **Economic Factors**, enter the base inflation rate.
3. To view a graph of historical inflation rates from 1914 to 201, click **Inflation Rate Graph**.
4. To focus on more recent data, under **Select A Graph To View**, click the **1914–2013** and **2003–2013** links.  
To return to the **General** page, click **Close**.

## Setting annual account fees

To change the annual account fee and frequency, follow these steps:

1. Go to the **Plan Management – Assumptions – General** page.

**Annual Account Fees**

Annual Account Fee

Frequency  ▼

Tax Deductible ☒

**RESET TO DEFAULTS**

Plan Management section – Assumptions category – General page

2. Under **Annual Account Fees**, in the **Annual Account Fee** field, enter the annual account fee, as a percentage of the account's market value.
3. From the **Frequency** menu, select how often the account fee will be calculated.
4. To claim annual account fees as a tax-deductible expense, select the **Tax Deductible** option.

**Note:** To clear any changes and revert to the defaults entered on the **User Preferences - Plan Settings** dialog box – **General** tab, click the **Reset to Defaults** button.

## Setting milestones (Level 1)

To enter the clients' retirement dates and life expectancies, follow these steps:

1. Go to the **Plan Management – Assumptions – Milestones** page.

**Milestones**

	Robert		Sarah	
	Age	Date	Age	Date
Retire At	65	Jan 2039	65	May 2042
Life Expectancy	90	2064	90	2067
Currently Disabled ?	<input type="checkbox"/>		<input type="checkbox"/>	

**LIFE EXPECTANCY GRAPH...**

Plan Management section – Assumptions category – Milestones page (Level 1 Plan)

2. In the **Retire At** fields, enter the age(s) or date(s) when the clients will retire.
3. In the **Life Expectancy** fields, enter the clients' life expectancies.

**Note:** To populate the life expectancy fields using actuarial data, click the life expectancy calculator



next to the field.

To view the **Life Expectancy Graph**, click **Life Expectancy Graph**.



## Setting milestones (Level 2)

On the **Milestones** page, you can set the retirement dates and life expectancies that will be used in the plan.


To set milestones, follow these steps:

1. Go to the **Plan Management – Assumptions – Milestones** page.

### Milestones

	Robert		Sarah		
	Age	Date	Age	Date	
Retire At	65	Jan 2039	65	May 2042	
Life Expectancy	 90	2064	 90	2067	<a href="#">LIFE EXPECTANCY GRAPH...</a>
Currently Disabled ?	<input type="checkbox"/>		<input type="checkbox"/>		

Plan Management section – Assumptions category – Milestones page (Level 2 Plan, Detailed Tax method)

2. In the **Retire At** fields, enter the age(s) or date(s) when the clients will retire.
3. In the **Life Expectancy** fields, enter the clients' life expectancies.
4.  To indicate that a client is already disabled, select the **Currently Disabled** option for that client.

This sets the disability status percentages for incomes and expenses to 100%. NaviPlan assumes that incomes and expenses entered on the **Cash Flow** page already take the disability into account.

**Note:** To populate the life expectancy fields using actuarial data, click the life expectancy calculator



next to the field.

To view the **Life Expectancy Graph**, click **Life Expectancy Graph**.



## Entering income tax rate assumptions (Average Tax method)

Using the Average Tax method, you can specify the client's and co-client's income tax brackets before and during retirement, and define the tax rate for dependants.

In a Level 2 Plan, you can also specify an income bracket during the **Year of Death** time period. This rate is universally applied at the death of both the client and co-client.

To enter income tax rate assumptions in a plan, follow these steps:

1. Go to the **Plan Management – Assumptions – Income Tax** page.

Tax Rates			
<b>Robert</b>			
	<b>Tax Bracket</b>	<b>Average</b>	<b>Marginal</b>
Pre-Retirement	\$50,001 - \$60,000 ▼	24.30%	34.75%
Retirement	\$50,001 - \$60,000 ▼	24.30%	34.75%
Year of Death	\$50,001 - \$60,000 ▼	24.30%	34.75%
<b>Sarah</b>			
	<b>Tax Bracket</b>	<b>Average</b>	<b>Marginal</b>
Pre-Retirement	\$50,001 - \$60,000 ▼	24.30%	34.75%
Retirement	\$50,001 - \$60,000 ▼	24.30%	34.75%
Year of Death	\$50,001 - \$60,000 ▼	24.30%	34.75%
<b>Dependants</b>			
	<b>Tax Bracket</b>	<b>Average</b>	<b>Marginal</b>
Tax Rate	\$0 - \$10,000 ▼	1.21%	25.80%
<b>TAX RATE SCHEDULE</b>			

Plan Management section – Assumptions category – Income Tax page (Level 2 Plan, Average Tax method)

**Note:** The above figure shows how the **Income Tax** page appears for clients with the **Married tax** status. The page appears differently for clients with other tax statuses.

2. Under **Tax Rates**, set income tax rates for the different time periods for the clients and their dependants.
  - NaviPlan automatically calculates tax rates for the defined income. You can override the calculated tax rates by entering the desired rates into the appropriate fields.
  - If any of the tax rates are overridden, a note appears on the page and an arrow appears beside each edited tax rate.
  - By default, NaviPlan assumes that the clients' province of residence also applies for tax purposes. To set a tax rate schedule for another province, click **Tax Rate Schedule** and select the province.
3. If the client intends to become a resident of a different province once they retire, select **Override** under **Future Province of Residence**.
  - Select the Province in which the clients will reside.
  - If applicable, change the **Average Tax Rate** for the client and co-client.
4. Under **Tax Options**, if the clients have agreed to split their pension income for tax purposes, select the **Joint Election to Split Pension Income** option.

## Entering tax credits and deductions (Level 2, Detailed Tax method)

NaviPlan automatically calculates many tax credits and deductions based on the information you enter in client files and plans. You can enter any applicable credits or deductions that are not automatically calculated by NaviPlan on the **Enter Financial Data – Tax Details** page. The clients' cash flow funds these transactions.

Alternative minimum tax carryover credits, RRSP, TFSA, and RESP contributions, as well as capital loss carryovers are entered in the **Plan Management – Assumptions – Historical Data** page. To avoid entering tax credits or deductions more than once, review the income tax reports available from the **Quick Actions – Reports** menu.

To enter tax deductions, follow these steps:

1. Go to the **Enter Financial Data – Tax Details** page.

Tax Details << >>

Use this page to enter above-the-line or below-the-line deductions and refundable or non-refundable credits not previously defined (e.g. adoption credit). \* Required

**Misc. Tax Deductions** ADD DEDUCTION ▼

Description	Owner	Type	Amount	Start Date	End Date	Actions
Deduction from Total Income	Robert	Deduction from Total Income	\$0	Jan 1 2013	Death (Owner)	

**Misc. Tax Credits** ADD CREDIT ▼

Description	Owner	Type	Amount	Start Date	End Date	Actions
Refundable Tax Credit	Robert	Refundable Tax Credit	\$0	Jan 1 2013	Death (Owner)	

Enter Financial Data section – Tax Details category – Tax Details page (Level 2 Plan)

2. To enter a deduction, click **Add Deduction**, and then select either **Deduction from Total Income** or **Deduction from Net Income**.
3. To enter additional details, click .

To enter a tax credit, follow these steps:

1. Go to the **Enter Financial Data** section – **Tax Details** category – **Tax Details** page.
2. Click **Add Credit**, and then select either **Refundable Credit** or **Non-Refundable Credit**.
3. Enter the details for the credit. To enter additional details, click .

## Entering historical data

The **Plan Management – Assumptions – Historical Data** page varies depending on the plan level and the income tax method selected for the plan.

### Entering registered plan contribution data (Level 1)

1. Go to the **Plan Management – Assumptions – Historical Data** page.

RRSP Contributions


TFSA Contributions

RESP Contributions


### RRSP Contributions

	Bob	Brenda
2013 Earned Income	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
2013 Pension Adjustment	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
RRSP Overcontribution Balance	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Unused RRSP Deduction Limit at End of 2013	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>

### Home Buyers' Plan - RRSP Repayments

	Bob	Brenda
HBP Balance Owing	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>
Years Left to Repay	<input type="text" value="0"/>	<input type="text" value="0"/>
Begin Repayments In 	<input type="text" value="2014"/>	<input type="text" value="2014"/>

Plan Management section – Assumptions category – Historical Data page – RRSP Contributions tab (Level 1 Plan, Detailed Tax method)

2. Under **RRSP Contributions**, enter RRSP contribution information for the applicable family member(s).
3.  Under **Home Buyers' Plan - RRSP Repayments**, enter the outstanding RRSP balance used for the purchase of a house in the **HBP Balance Owing** field. If the value is left at \$0, NaviPlan will assume that no Home Buyers' Plan RRSP repayment is necessary. Enter the number of years remaining for repayment in the **Years Left to Repay** field. Enter the year in which the repayments are to begin.
4. Go to the **TFSA Contributions** tab and enter TFSA contribution information for the applicable family member(s).

	Robert	Sarah
TFSA Overcontribution Balance	\$0	\$0
Unused TFSA Contribution Room	\$0	\$0

Plan Management section – Assumptions category – Historical Data page – TFSA Contributions tab (Level 1 Plan, Detailed Tax method)

- Go to **RESP Contributions** and enter RESP contribution information for the applicable family member(s). Net incomes must be entered for CESG purposes.

	Bob	Brenda
Total RESP Contributions from All Subscribers	\$0	\$0
CESG eligibility carry forward	\$0	\$0
Total CESG Payment Received	\$0	\$0

Plan Management section – Assumptions category – Historical Data page – RESP Contributions tab (Level 1 Plan, Detailed Tax method)

## Entering registered plan contribution data (Level 2)


To enter your clients' historical registered plan data, follow these steps:

1. Go to the **Plan Management – Assumptions – Historical Data** page.
2. **D. Tax** Go to the **General** tab and enter the carryover alternative minimum tax (AMT) amount that can be used this year, and that has not been used in a previous year.

General	RRSP Contributions	TFSA Contributions	RESP Contributions	Capital Loss Carryovers (2014)
<b>Start of Year Balances</b>				
		<b>Bob</b>	<b>Brenda</b>	
Alternative Minimum Tax Carryover		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	

Plan Management section – Assumptions category – Historical Data page – General tab (Level 2 Plan, Detailed Tax method)

3. On the **RRSP Contributions** tab, enter RRSP contribution information for the applicable family member(s).
4. **D. Tax** Under **Home Buyers' Plan - RRSP Repayments**, enter the outstanding RRSP balance used for the purchase of a house in the **HBP Balance Owing** field. If the value is left at \$0, NaviPlan will assume that no Home Buyers' Plan RRSP repayment is necessary. Enter the number of years remaining for repayment in the **Years Left to Repay** field. Enter the year in which the repayments are to begin.

General	RRSP Contributions	TFSA Contributions	RESP Contributions	Capital Loss Carryovers (2014)
<b>RRSP Contributions</b>				
		<b>Bob</b>	<b>Brenda</b>	
2013 Earned Income		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
2013 Pension Adjustment		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
RRSP Overcontribution Balance		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
Unused RRSP Deduction Limit at End of 2013		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
<b>Home Buyers' Plan - RRSP Repayments</b>				
		<b>Bob</b>	<b>Brenda</b>	
HBP Balance Owing		<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	
Years Left to Repay		<input type="text" value="0"/>	<input type="text" value="0"/>	
Begin Repayments In 		<input type="text" value="2014"/>	<input type="text" value="2014"/>	

Plan Management section – Assumptions category – Historical Data page – RRSP Contributions tab (Level 2 Plan, Detailed Tax method)

5. On the **TFSA Contributions** tab, enter TFSA contribution information for the applicable family member(s).

General	RRSP Contributions	TFSA Contributions	RESP Contributions	Capital Loss Carryovers (2014)
---------	--------------------	--------------------	--------------------	--------------------------------

### TFSA Contributions

	Bob	Brenda
TFSA Overcontribution Balance	\$0	\$0
Unused TFSA Contribution Room	\$0	\$0

Plan Management section – Assumptions category – Historical Data page – TFSA contributions tab (Level 2 Plan, Detailed Tax method)

6. On the **RESP Contributions** tab, enter RESP contribution information for the applicable family member(s). Net incomes must be entered for CESG purposes.

General	RRSP Contributions	TFSA Contributions	RESP Contributions	Capital Loss Carryovers (2014)
---------	--------------------	--------------------	--------------------	--------------------------------

### RESP Contributions

	Clients	
As of Dec 31st 2013 where the beneficiary is:	Bob	Brenda
Total RESP Contributions from All Subscribers	\$0	\$0
CESG eligibility carry forward	\$0	\$0
Total CESG Payment Received	\$0	\$0

Plan Management section – Assumptions category – Historical Data page – RESP Contributions tab (Level 2 Plan, Detailed Tax method)

7. On the **Capital Loss Carryovers** tab, enter the unapplied net capital loss for the applicable time periods and for the applicable family member(s).
- Enter the **Year 2000 Inclusion Rate (IR)**. The **Applied Net Capital Loss** fields will populate automatically.

#### Capital Loss Carryovers (2014)

	Bob			Brenda		
	Unapplied Net Capital Loss	Adjustment Factor	Applied Net Capital Loss	Unapplied Net Capital Loss	Adjustment Factor	Applied Net Capital Loss
Before May 23, 1985	\$0	1	\$0	\$0	1	\$0
After May 22, 1985 and before 1988	\$0	1	\$0	\$0	1	\$0
In 1988 and 1989	\$0	3/4	\$0	\$0	3/4	\$0
After 1989 and before 2000	\$0	2/3	\$0	\$0	2/3	\$0
In 2000	\$0	1/(2 x IR)	\$0	\$0	1/(2 x IR)	\$0
After 2000 and before 2014	\$0	1	\$0	\$0	1	\$0
<b>Total</b>	\$0		\$0	\$0		\$0
	Year 2000 Inclusion Rate (IR) 0.0000			Year 2000 Inclusion Rate (IR) 0.0000		

Plan Management section – Assumptions category – Historical Data page – Capital Loss Carryovers tab (Level 2 Plan, Detailed Tax method)

## Selecting a portfolio balancing method

In NaviPlan, you can specify how your clients' assets are to be rebalanced using one of two methods: **Current - Rebalanced** or **Current - Not Rebalanced**.

- When **Current - Rebalanced** is selected, NaviPlan assumes accounts are regularly rebalanced to maintain allocation and applies the weighted average return rate to accounts that are linked to goals.
- When **Current - Not Rebalanced** is selected, NaviPlan assumes the portfolio is never rebalanced and the weighted average return fluctuates according to market conditions as the allocation adjusts.

By default, NaviPlan uses the setting defined on the **User Preferences - Plan Settings** dialog box – **Current Portfolio Setting** tab (**Settings** menu – **Plan Settings**).

To change the portfolio balancing method for the plan, follow these steps:

1. Go to the **Plan Management – Assumptions – Current Portfolio Setting** page.

Current Portfolio Setting

☒
Current - Rebalanced

This option rebalances the accounts linked to a goal and uses the weighted average rate of return of the linked assets.

☐
Current - Not Rebalanced

This option does not rebalance the accounts linked to a goal. Each account linked to a goal maintains a separate rate of return.

Plan Management section – Assumptions category – Current Portfolio Setting page

2. Do one of the following:

Select...	To do this...
Current - Rebalanced	Rebalance the accounts linked to a goal; a weighted average is applied to all accounts linked to the goal as per their investor profile.
Current - Not Rebalanced	Prevent accounts linked to a goal from rebalancing; accounts linked to a goal maintain a separate rate of return.

## Setting asset allocation assumptions

You can choose whether or not to use asset allocation in individual plans in NaviPlan. To use asset allocation in a plan, the **Asset Allocation** module on the **Plan Management – Modules** page must be selected.

There are two methods for determining your clients' ideal asset allocation in NaviPlan:

- Ibbotsonpredefined asset allocation:
  - Utilize 13 asset classes to generate a suggested portfolio based on the completed asset allocation questionnaire.
  - Automatic quarterly database updates to ensure investment accuracy.
- User-defined asset allocation:
  - Enter your own user-defined asset classes and weightings.
  - Data must be manually updated to reflect market fluctuations.

**Important!** The methods available to you are based on the licence agreement arranged by your organization.

## Overview of predefined Asset Allocation

### Viewing predefined asset allocation assumptions

There are two aspects to predefined asset allocation in NaviPlan.

1. The asset allocation questionnaire is used to determine your clients' investor profile. Once the investor profile is determined, the expected rate of return is calculated as a weighted average of the underlying asset classes recommended in the suggested asset mix.
2. Then, you can compare the asset mix of your clients' existing portfolio to NaviPlan's suggested asset mix. You can also see the differences in expected rates of return, expected standard deviation, efficient frontier, etc., and make appropriate recommendations.

Asset allocation assumptions (asset classes, investor profiles, and model portfolios) are already set up for you. You can view, but not edit, these assumptions.

**Note:** Before you can view asset allocation assumptions for the plan, you must complete the questionnaire (**Plan Management – Asset Allocation – Questionnaire** page).

To view asset allocation assumptions for the plan, follow these steps:

1. Go to the **Plan Management – Asset Allocation – Profile** page.
2. On the **Profile** page, click **Settings**.



Asset Allocation Settings
\* Required
?
✕

Asset Classes
Investor Profiles
Portfolios

These are the asset classes and their return rates and standard deviation defined in the application. They are not editable.

### Asset Classes

Description	Interest	Dividends	Capital Gains	Deferred Growth	Total	Standard Deviation
Canadian Large Cap Equity	0.000%	2.720%	3.630%	2.320%	8.670%	18.620%
Canadian Small Cap Equity	0.000%	2.090%	5.940%	3.200%	11.230%	22.760%
US Equity	0.000%	2.060%	4.540%	1.850%	8.450%	17.040%
International Equity	0.000%	3.160%	4.270%	1.830%	9.260%	19.740%
Emerging Markets Equity	0.000%	2.930%	8.980%	2.250%	14.160%	27.190%
Canadian Bonds	3.180%	0.000%	0.000%	0.000%	3.180%	7.480%
Global Bonds	3.200%	0.000%	0.000%	0.000%	3.200%	9.290%
Canadian Cash Equivalents	1.440%	0.000%	0.000%	0.000%	1.440%	2.120%

CLOSE

Asset Allocation Settings dialog box – Asset Classes tab

### Determining the clients' investor profile

When using NaviPlan with predefined asset allocation, a questionnaire is used to determine your clients' investor profile. NaviPlan suggests an asset mix appropriate for clients with that profile. This suggested asset mix is used as an asset allocation target (a model to achieve) throughout the plan.

If you do not agree with the investor profile determined by the questionnaire results, you can select an investor profile manually, but you still must fill out the questionnaire first. You can also modify the suggested asset mix.

To determine the clients' investor profile, follow these steps:

1. Go to the **Plan Management** section – **Asset Allocation** category – **Questionnaire** page.
2. Enter your clients' responses to all the questions.

Questionnaire Profile << >>

SCORING... SETTINGS...

Different investors have different risk tolerances. Much of the difference stems from time horizon. That is, someone with a short investment time horizon is less able to withstand losses. The remainder of the difference is attributable to the individual's appetite for risk. Volatility can be nerve-wracking for many people and they are more comfortable when they can avoid it. However, there is a definite relationship between risk and return. Investors need to recognize this risk/return trade-off. The following risk tolerance questionnaire has been designed to measure an individual's ability (time horizon) and willingness (risk tolerance) to accept uncertainties in their investment's performance. The total score recommends which of the five risk profiles is most appropriate for the investor.

- When do you expect to begin withdrawing money from your investment account?
  - ☐ Less than 1 year
  - ☐ 1 to 2 years
  - ☐ 3 to 4 years
  - ☐ 5 to 7 years
  - ☐ 8 to 10 years
  - ☐ 11 years or more
- Once you begin withdrawing money from your investment account, how long do you expect the withdrawals to last?
  - ☐ I plan to take a lump sum distribution
  - ☐ 1 to 4 years
  - ☐ 5 to 7 years
  - ☐ 8 to 10 years
  - ☐ 11 years or more
- Inflation, the rise in prices over time, can erode your investment return. Long-term investors should be aware that, if portfolio returns are less than the inflation rate, their ability to purchase goods and services in the future might actually decline. However, portfolios with long-term returns that significantly exceed inflation are associated with a higher degree of risk. Which of the following portfolios is most consistent with your investment philosophy?
  - ☐ Portfolio 1 will most likely exceed long-term inflation by a significant margin and has a high degree of risk.
  - ☐ Portfolio 2 will most likely exceed long-term inflation by a moderate margin and has a high to moderate degree of risk.
  - ☐ Portfolio 3 will most likely exceed long-term inflation by a small margin and has a moderate degree of risk.
  - ☐ Portfolio 4 will most likely match long-term inflation and has a low degree of risk.
  - ☐ Portfolio 5 will most likely fall below long-term inflation and has a low degree of risk.

Plan Management section – Asset Allocation category – Questionnaire page


- To view the asset allocation risk scores for the investor profile, click **Scoring**. NaviPlan shows the time horizon and investor profile that it has calculated.
- Go to the **Profile** page. NaviPlan displays the investor profile and suggested asset mix based on the responses to the questionnaire.

Questionnaire Profile < >>

### Investor Profile

☐ Override Investor Profile

Select an investor profile: Moderate ▼



Plan Management section – Asset Allocation category – Profile page

- To override the default profile, select the **Override Investor Profile** option, and then select a different investor profile from the menu.

6. You can modify the asset mix in the proposed portfolio by clicking **Customize Asset Mix**, and then selecting either the **Weightings** option or the **Optimize** option. Select the **Weightings** option to manually adjust the asset class weightings of the portfolio. Select the **Optimize** option if you want to generate a new portfolio based on an efficient frontier graph.

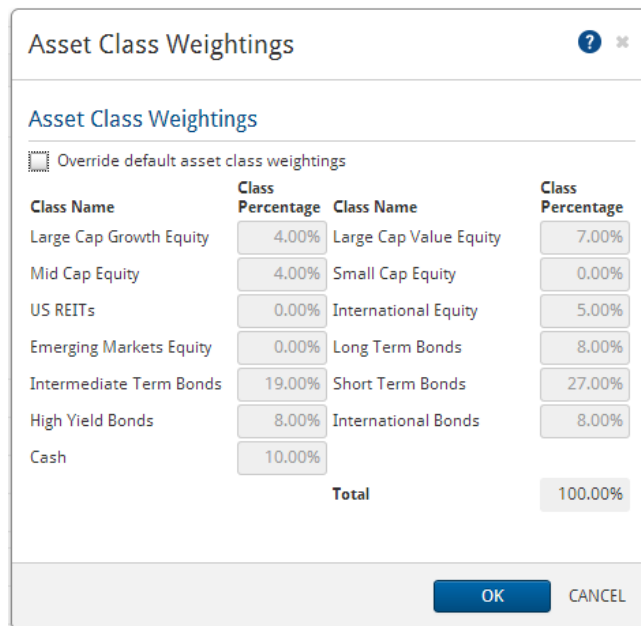
### Editing Asset Class Weightings

The **Weightings** option is only available on the **Profile** page.

**Note:** If you do not have the user permission to override the asset class weightings, this option is not available.

To edit asset class weightings, follow these steps:

1. If applicable, scroll to the bottom of the **Profile** page.
2. Click **Customize Asset Mix**, and then select **Weightings**.



The dialog box titled "Asset Class Weightings" contains a section "Asset Class Weightings" with a checkbox "Override default asset class weightings". Below this is a table with two columns: "Class Name" and "Class Percentage". The table lists 12 asset classes with their respective percentages. At the bottom right, there is a "Total" row showing 100.00%. The dialog box has "OK" and "CANCEL" buttons at the bottom right.

Class Name	Class Percentage	Class Name	Class Percentage
Large Cap Growth Equity	4.00%	Large Cap Value Equity	7.00%
Mid Cap Equity	4.00%	Small Cap Equity	0.00%
US REITs	0.00%	International Equity	5.00%
Emerging Markets Equity	0.00%	Long Term Bonds	8.00%
Intermediate Term Bonds	19.00%	Short Term Bonds	27.00%
High Yield Bonds	8.00%	International Bonds	8.00%
Cash	10.00%		
<b>Total</b>			100.00%

Asset Class Weightings dialog box

3. Select the **Override default asset class weightings** option, and then enter the desired weightings. The total must equal 100%.
4. Click **OK**.

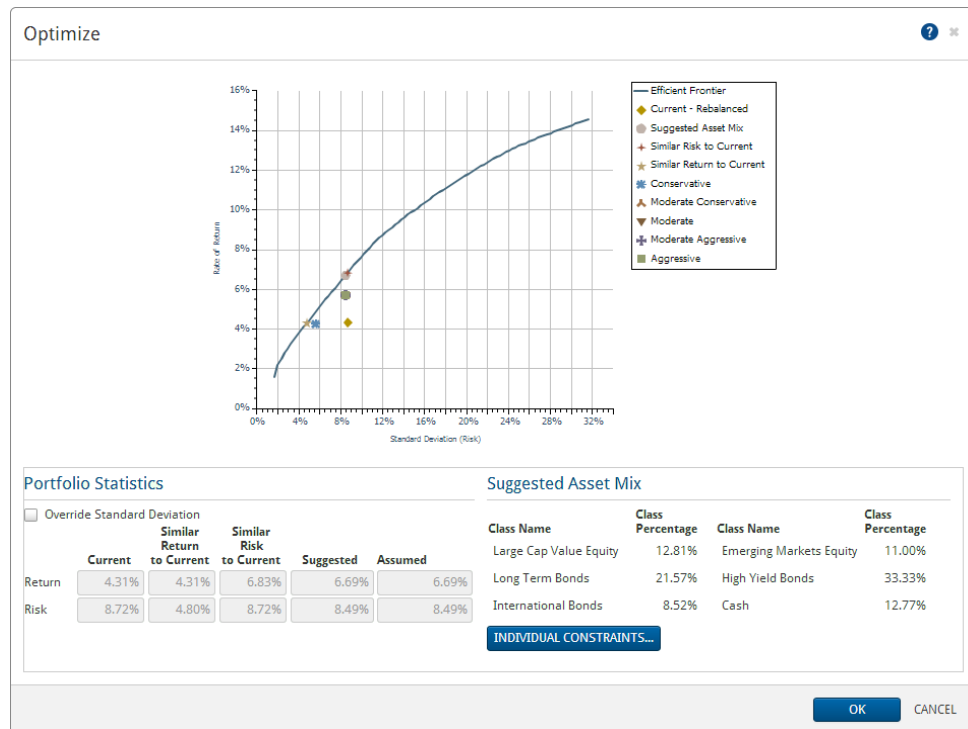
To revert to the original asset class weightings, click **Customize Asset Mix**, and then select **Revert to Defaults**.

### Using the Optimize calculation

The **Optimize** option is only available on the **Profile** page.

To constrain the recommended asset classes, but still generate an optimal recommended asset mix, follow these steps:

1. If applicable, scroll to the bottom of the **Profile** page.
2. Click **Customize Asset Mix**, and then select **Optimize**.

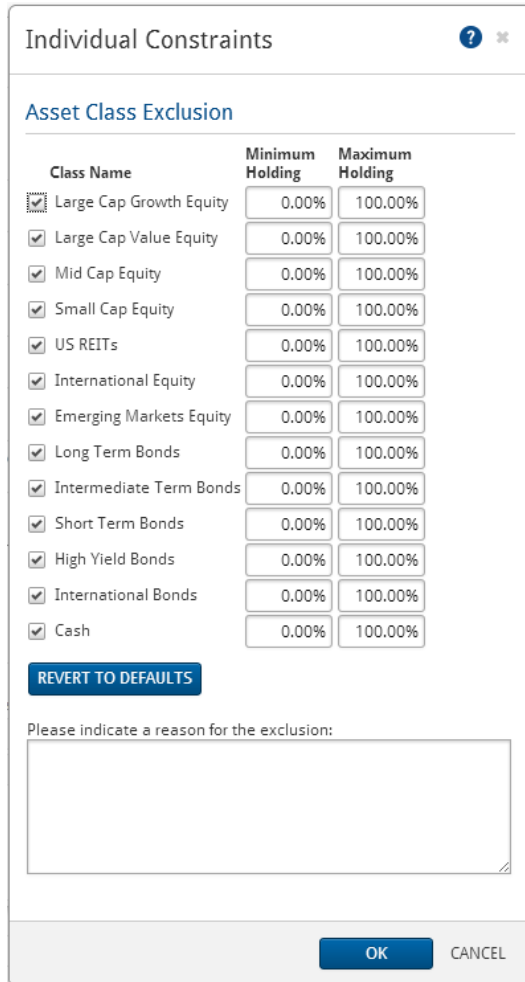


Optimize dialog box

- The **Optimize** dialog box displays the **Efficient Frontier** graph, also known as the **Mean Variance Optimization** graph. Mean variance optimization is the process of identifying portfolios with the maximum expected return for a given level of risk.
  - The vertical axis plots overall return rates, and the horizontal axis plots standard deviation. The solid line in the graph represents the efficient frontier, which is the set of portfolios that provides the highest expected returns for their respective risk levels.
  - The inputs for mean variance optimization are return rates, standard deviation, and the correlation coefficients of returns for each pair of asset classes. The graph also accounts for any constraints applied in the **Individual Constraints** dialog box.
3. To override the standard deviation, follow these steps:
    - a. Under **Portfolio Statistics**, select the **Override Standard Deviation** option to manually enter a new standard deviation. Under **Suggested**, the **Risk** field becomes editable.
    - b. Enter the standard deviation in the **Risk** field. Once a new standard deviation is entered, the graph updates to show the manually entered standard deviation.

**Note:** Clicking a point on the **Efficient Frontier** line shows the return rate and standard deviation of that point. Double-clicking at a certain point on the line of the **Efficient Frontier** graph selects that point as the new suggested asset mix. (Or, you can click on the line, which brings up a balloon message, and then press the ENTER key.) Use this process as an alternative to overriding the standard deviation manually.

4. When generating an efficient frontier, by default NaviPlan does not restrict the asset classes or the holding percentages within each asset class. To override these defaults, follow these steps:
  - a. Click **Individual Constraints**. In the dialog box that opens, you can set the minimum or maximum holding percentage for a single asset class.



The dialog box is titled "Individual Constraints" and contains a section for "Asset Class Exclusion". It features a table with columns for "Class Name", "Minimum Holding", and "Maximum Holding". Each row represents an asset class with a checkbox, and the default values for minimum and maximum holding are 0.00% and 100.00% respectively. A "REVERT TO DEFAULTS" button is located below the table. At the bottom, there is a text area for "Please indicate a reason for the exclusion:" and "OK" and "CANCEL" buttons.

Class Name	Minimum Holding	Maximum Holding
<input checked="" type="checkbox"/> Large Cap Growth Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Large Cap Value Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Mid Cap Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Small Cap Equity	0.00%	100.00%
<input checked="" type="checkbox"/> US REITs	0.00%	100.00%
<input checked="" type="checkbox"/> International Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Emerging Markets Equity	0.00%	100.00%
<input checked="" type="checkbox"/> Long Term Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> Intermediate Term Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> Short Term Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> High Yield Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> International Bonds	0.00%	100.00%
<input checked="" type="checkbox"/> Cash	0.00%	100.00%

REVERT TO DEFAULTS

Please indicate a reason for the exclusion:

OK CANCEL

Individual Constraints dialog box

- b. Enter the minimum and maximum holding constraints for each asset class.
  - c. To exclude an asset class, clear the associated option.
  - d. To return all overridden asset class weightings to the initial recommended asset class weightings, click **Revert to Defaults**.
  - e. If necessary, enter any additional comments or details.
  - f. Click **OK** to close the **Individual Constraints** dialog box. NaviPlan applies the constraints to the plan, and the **Efficient Frontier** graph updates.
5. Click **OK** to close the **Optimize** dialog box. The **Suggested Asset Mix** graph on the **Profile** page updates to display the optimization.

## Overview of User-Defined Asset Allocation

There are two aspects to user-defined asset allocation in NaviPlan:

1. NaviPlan uses the return rates assigned to asset classes and the asset class weightings assigned to individual assets to calculate return rates for individual assets.
2. NaviPlan compares the mix of asset classes in your clients' current portfolios (the assets your clients actually own), with hypothetical asset mixes suited to your clients' investor profiles. The comparison is designed to demonstrate how the current portfolios can be changed to make it more likely that the clients will achieve their financial goals. Throughout NaviPlan, these hypothetical asset mixes are referred to as suggested asset mixes, proposed portfolios, and model portfolios.

### Setting up user-defined asset allocation

Using NaviPlan's asset allocation, you can override any asset allocation defaults set in the **Asset Allocation Settings** dialog box (**User Preferences** menu – **Asset Allocation Settings**) for an individual plan.

You can also select different model portfolios (suggested asset mixes) for individual goals within a plan. Since time horizon and risk tolerance are major components of asset allocation, goals with different time horizons or objectives may require different investment profiles. For example, the clients' retirement goal might not begin for 20 years or more, but they may have education goals for their children starting in five years.

To set asset allocation assumptions for an individual plan, follow these steps:

1. Go to the **Plan Management** section – **Asset Allocation** category – **Profile** page.
2. Click **Settings**. Any default asset classes that were entered on the **Asset Allocation Settings** dialog box – **Asset Classes** tab (accessed from the **Settings** menu – **Asset Allocation Settings** option) appear under **Asset Classes**.

**Asset Allocation Settings** \*Required ? ✖

Asset Classes **Correlations** **Investor Profiles** **Portfolios**

Use this page to enter new asset classes, their return rates, and standard deviation, as well as to edit existing asset classes.

Asset class data entered on this page will only affect asset class defaults for future plans. Existing plans will not be affected but may be edited upon opening a plan.

**Asset Classes** ADD ASSET CLASS

Description <span style="color: red;">✖</span>	Interest	Dividends	Capital Gains	Deferred Growth	Total	Standard Deviation	Actions
Large Cap Equity	0.000%	2.400%	3.010%	5.250%	10.660%	19.610%	✖
Small Cap Equity	0.000%	1.470%	5.060%	7.840%	14.370%	28.900%	✖
International Equity	0.000%	1.580%	4.300%	5.100%	10.980%	24.650%	✖
Aggregate Bonds	4.910%	0.000%	0.000%	2.000%	6.910%	7.110%	✖
Cash	3.130%	0.000%	0.000%	0.000%	3.130%	3.010%	✖

**OK** **CANCEL**

Asset Allocation Settings dialog box – Asset Classes tab

- Under **Asset Classes**, click **Add Asset Class** for each asset class you want to add to the plan.
- For each asset class, enter a unique description such as **Cash** or **Bonds**, and then define the return rates and standard deviation values that apply.
- Once you have made the required changes, go to the **Correlations** tab. Correlation measures how much you can expect your clients' investments to change in price relative to each other. Correlation works in the following manner:

Correlation value	Historical relationship of the two asset classes
1.0	The two assets move in exactly the same direction.
-1.0	The two assets move in exactly the opposite direction.
0.0	The two assets have no relationship.

### Asset Allocation Settings

\* Required ? ✕

Asset Classes

Correlations

Investor Profiles

Portfolios

Use this page to enter correlation values between all asset classes. The correlation value between asset class A and asset class B is the same as the correlation value between asset class B and asset class A, etc.

Correlation data entered on this page will only affect asset class defaults for future plans. Existing plans will not be affected but may be edited upon opening a plan.

	A	B	C	D	E
A Large Cap Equity	1.0000	0.3200	0.4500	1.0000	1.0000
B Small Cap Equity	0.3200	1.0000	0.2300	1.0000	1.0000
C International Equity	0.4500	0.2300	1.0000	1.0000	1.0000
D Aggregate Bonds	1.0000	1.0000	1.0000	1.0000	1.0000
E Cash	1.0000	1.0000	1.0000	1.0000	1.0000

OK

CANCEL

Asset Allocation Settings dialog box – Correlations tab

- To change the correlation between two asset classes, enter the new correlation value at the intersection of a row and column for the two asset classes.
- Go to the **Investor Profiles** tab. The investor profiles entered on the **Asset Allocation Settings** dialog box – **Investor Profiles** tab (accessed from the **User Preferences** menu – **Asset Allocation Settings**) appear under **Investor Profiles**.

**Asset Allocation Settings** \* Required ? ✕

Asset Classes Correlations **Investor Profiles** Portfolios

Enter the description for each investor profile. To define an investor profile click **Details**.

Investor profile data entered on this page will only affect asset class defaults for future plans. Existing plans will not be affected but may be edited upon opening a plan.

**Investor Profiles** ADD INVESTOR PROFILE

Description <span style="color: red;">*</span>	Actions
Conservative	
Moderate Conservative	
Moderate	
Moderate Aggressive	
Aggressive	

**OK** **CANCEL**

Asset Allocation Settings dialog box – Investor Profiles tab

8. Investor profiles should be added from lowest to highest risk tolerance.
9. Enter a name such as **Conservative**, and then click **Details**.

**Investor Profile Details** \* Required ? ✕

**Investor Profile**

**Description \***

Conservative

**About this profile...**

◀ Previous Entry Next Entry ▶ **OK** **CANCEL**

Investor Profile Details dialog box

10. Enter the details of the new profile, and then click **OK**.
11. Go to the **Portfolios** tab. On this tab you can edit the composition of the investor profiles you created on the **Investor Profiles** tab.



Asset Allocation Settings
\* Required
?
✕

Asset Classes
Correlations
Investor Profiles
Portfolios

Use this page to display the asset class weightings for any investor profile.

### Portfolio Criteria

Select Your Default Profile Conservative ▼

Investor Profiles Conservative ▼

### Portfolios

Class Name	Weightings (%)	Class Name	Weightings (%)
Large Cap Equity	<span>50.00%</span>	Small Cap Equity	<span>50.00%</span>
International Equity	<span>0.00%</span>	Aggregate Bonds	<span>0.00%</span>
Cash	<span>0.00%</span>		
		<b>Total</b>	<span>100.00%</span>

OK
CANCEL

Asset Allocation Settings dialog box – Portfolios tab

12. Under **Portfolio Criteria**, select the investor profile you want to change, and then under **Portfolio**, enter the asset class percentages for this profile.
13. To revert to the default asset mix values entered on the **Asset Allocation Settings** dialog box – **Portfolios** tab (accessed from the **User Preferences** menu – **Asset Allocation Settings**), click **Reset Asset Allocation**. If no default values exist, clicking this button deletes what you have entered without replacing it.

### Determining the clients' investor profile with user-defined asset allocation

The purpose of selecting an investor profile is to identify the model portfolio (suggested asset mix) that is most appropriate for your clients.

To select a proposed portfolio, follow these steps:

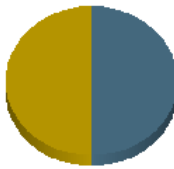
1. Go to the **Plan Management** section – **Asset Allocation** category – **Profile** page.

Profile
<<
>>

SETTINGS...

Investor Profile

Select an investor profile: Conservative

Suggested Asset Mix


Cash	50.00%
Bonds	50.00%

Summary	
Expected rate of return	9.75%
Expected standard deviation	39.00%
Proposed investor profile	Conservative

Plan Management section – Asset Allocation category – Profile page

2. A default investor profile may appear. To change the displayed investor profile, select another profile from the menu.

If you select **Current - Rebalanced** or **Current - Not Rebalanced**, the **Suggested Asset Mix** graph displays a proportional breakdown of all the clients' assets in the current plan, based on whether or not the portfolio is regularly rebalanced to maintain their allocation.

## Chapter 3: Entering net worth information

This chapter explains how to enter your clients' net worth information. In a Level 1 and a Level 2 Plan, summary information can be entered for lifestyle assets, liabilities, along with simple accounts, detailed accounts with holdings.

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## Entering lifestyle assets

Lifestyle assets are purchased for the owners' personal use and enjoyment, and not for the purpose of funding goals or producing income. Examples include a house, cottage, car, or boat.

To enter lifestyle assets, follow these steps:

1. Go to the **Enter Financial Data** section – **Net Worth** category – **Assets/Liabilities** page.

Assets/Liabilities Accounts Holding Companies Asset Class Weightings << >>

Enter details about lifestyle assets, liabilities, income-producing real estate assets, and business entities. \* Required

**Lifestyle Assets** ADD LIFESTYLE ASSET

Description	Market Value	Actions
Principal Residence	\$0	
Cottage	\$0	
Personal Use Property	\$0	
Listed Personal Property	\$0	

**Liabilities** ADD LIABILITY

Description	Balance	Interest	Payment	Link to	Actions
Mortgage	\$0	7.00%	\$0.00 /mo	None	
Mortgage 2	\$0	7.00%	\$0.00 /mo	None	
Car Loans	\$0	8.00%	\$0.00 /mo	None	
Personal Loans	\$0	8.00%	\$0.00 /mo	None	
Other Debt	\$0	12.00%	\$0.00 /mo	None	

Assets/Liabilities Report

Enter Financial Data section – Net Worth category – Assets/Liabilities page (Level 2 Plan, Detailed Tax method)

2. To add a lifestyle asset, click **Add Lifestyle Asset**, and then select an asset type from the menu. If applicable, enter the market value of the listed lifestyle asset. To enter additional details for the asset, click the corresponding button.

**Lifestyle Asset Details** \* Required

Description Type Owner Purchase Date

Principal Residence Principal Residence Robert Dec 31 2012

Purchase Amount Current Market Value Current Value As Of Adjusted Cost Base

\$0 \$0 Jul 10 2013 \$0

**Sale Information**

Sell Asset Sale Date Direct After Tax Proceeds To Account Details

☐ N/A

**Projected Value as of Sale Dates** **Projected Buying Power**

Before Tax	After Tax	Before Tax	After Tax
\$0	\$0	\$0	\$0

**Return Rates**

☐ Override

	Deferred Growth	Standard Deviation
Pre-Retirement	2.00%	0.00%
Retirement	2.00%	0.00%

ADD LIFESTYLE ASSET Previous Entry Next Entry OK CANCEL

Lifestyle Asset Details dialog box (Level 2 Plan)

**Level 2** NaviPlan estimates the before- and after-tax values of the asset on the sale date, as well as the buying power of those values (in today's dollars).

To enter details regarding asset return rates, click the **Return Rates** link.

- If you do not want to use the default return rates and standard deviations associated with the asset, under **Return Rates**, select the **Override** option, and then make your changes
- If you do not want to use the default return rates and standard deviations associated with the asset, under **Return Rates**, select the **Override** option, and then make your changes

From the **Lifestyle Asset Details** dialog box, you can

- Create a new lifestyle asset by clicking **Add Lifestyle Asset**, and selecting an option from the menu. New lifestyle assets appear on the **Assets/Liabilities** page under **Lifestyle Assets**.
- View or edit another lifestyle asset by clicking **Next Entry** or **Previous Entry**

To generate the **Assets/Liabilities** report, go to the **Assets/Liabilities** page, and then click **Assets/Liabilities Report**.


## Entering liabilities

You can enter many types of liabilities including mortgages, loans, credit cards, and other debts. Once entered, you can link a liability to a lifestyle asset.

To enter liabilities, follow these steps:

1. Go to the **Enter Financial Data** section – **Net Worth – Assets/Liabilities**.
2. To add a new liability, click **Add Liability**, and then select a liability type from the menu. The new liability item appears at the bottom of the liabilities menu.
3. If applicable, enter the liability's description, balance, interest rate, and payment.
4. If applicable, from the **Link to Asset** menu, select the asset that is linked to the liability.

**Note:** An asset can be linked to more than one liability but a liability can be linked to only one asset.

5. To enter additional details for the liability, click the corresponding  button and enter the additional information.

Liability Details dialog box (Level 2 Plan)

From the **Liability Details** dialog box, you can:

- Create a new liability or a copy of an existing liability by clicking **Add Liability**, and then selecting an option from the menu (new liabilities appear on the **Assets/Liabilities** page under **Liabilities**).
- View or edit an existing liability by clicking **Next Entry** or **Previous Entry**.

To change the liability calculation, under **Calculation Options** select an option from the **Field to Calculate** menu, and then modify the remaining calculation details. The calculated field updates.

**Note:** NaviPlan does not allow the original principal to be lower than the outstanding balance.

**Level 2** To exclude a liability from the disability analysis, select the **Insured for Disability** option. The liability will be paid in full from disability insurance proceeds.

**Level 2** To indicate that the unpaid loan balance will be transferred to the survivor, select **Transfer to survivor** from the **Payoff Options at Death** menu.

OR

To indicate that the liability will be paid from the clients' estate, select **Payoff at first death (from estate)** from the **Payoff Options at Death** menu.

OR

**Level 2** To model loans that are forgivable at death (for example, some student loans), select **Insured for life** from the **Payoff Options at Death** menu. This excludes the loan balance from the insurance analysis, as well as from estate planning cash flow calculations.


To view the liability amortization schedule report for a liability, on the **Assets/Liabilities** page, click **Report** beside the specific liability.

To generate the **Assets/Liabilities** report, click **Assets/Liabilities Report** on the **Assets/Liabilities** page.

## Entering fixed-rate mortgages

Mortgages can be entered in NaviPlan with either fixed interest rates or variable interest rate periods.

To enter a fixed-rate mortgage, follow these steps:

1. Go to the **Enter Financial Data** section – **Net Worth – Assets/Liabilities**.
2. Click **Add Liability**, and then select **Fixed Mortgage** from the menu.
3. Click  next to the new fixed mortgage.
4. Enter a **Description** for the mortgage.
5. Select the name of the **Owner** who has taken out the mortgage.
6. Enter the **Interest Rate** and the **Compound Frequency**.
7. Select the **Payment Type** and **Payment Frequency**, as well as the asset to which the mortgage is linked.
8. If applicable, select the **Interest is Tax Deductible** option.
9. Enter the **Balance As of Date**, **Loan Date**, and the **Original Principal** amount.
10. If applicable, select the **Cover any pre-retirement deficits created by these liability payments** option.
11. Under **Calculation Options**, select a **Field to Calculate**:
  - a. **Amortization**: Enter the **Balance** and the **Payment**; NaviPlan determines the number of **Years** and **Months** remaining.
  - b. **Payment**: Enter the **Balance** and the number of **Years** and **Months** remaining; NaviPlan determines the **Payment** amount.
  - c. **Balance**: Enter the **Payment** amount and the number of **Years** and **Months** remaining; NaviPlan determines the remaining **Balance**.
12. When you are satisfied with these options, click **OK**.

Liability Details

\* Required ? ✕

Description *	Owner	Liability Type	Mortgage Type	Interest Rate	Compound Frequency
Fixed Mortgage	Joint	Mortgage	Fixed	5.000%	Semi-annual

Payment Type	Payment Frequency	Link to Asset	Interest is Tax Deductible
Principal and Interest	Monthly	None	<input type="checkbox"/>

Balance As of Date	Loan Date	Renegotiate	Original Principal
Nov 13 2014	Dec 31 2013	Refinanced	\$0

☐ Cover any pre-retirement deficits created by these liability payments

Calculation Options

Field to Calculate	Balance	Payment	Remaining Amortization		End Date
Amortization	\$0	\$0.00	Years	Months	Nov 12 2039
			25	0	


Liability Details dialog box for a Fixed-Rate Mortgage (Level 2 Plan)



## Entering variable rate mortgages

Mortgages can be entered in NaviPlan with either fixed interest rates or variable interest rate periods.

To enter a variable rate mortgage, follow these steps:

1. Go to the **Enter Financial Data** section – **Net Worth – Assets/Liabilities**.
2. Click **Add Liability**, and then select **Variable Mortgage** from the menu.
3. Click  next to the new variable mortgage.
4. Enter a **Description** for the mortgage.
5. Select the name of the **Owner** who has taken out the mortgage.
6. Select **Mortgage** from the **Liability Type** menu and **Variable** from the **Mortgage Type** menu.
7. Select the **Compound Frequency**, **Payment Type**, and **Payment Frequency**, as well as the asset to which the mortgage is linked.
8. If applicable, select the **Interest is Tax Deductible** option.
9. Enter the **Balance As of Date**, **Loan Date**, and the **Original Principal** amount.
10. If applicable, select the **Cover any pre-retirement deficits created by these liability payments** option.
11. Determine the **Remaining Amortization** for the mortgage by entering the **Years** and **Months** remaining until full repayment.
12. Click **Add Interest Rate Period** to enter the different interest rates and the number of months during which they apply.
13. When you are satisfied with these options, click **OK**.

Liability Details

\* Required ?

Description \*

Owner

Liability Type

Mortgage Type

Interest Rate

Compound Frequency

Variable Mortgage

Joint

Mortgage

Variable

Variable

Monthly

Payment Type

Payment Frequency

Link to Asset

Interest is Tax Deductible <sup>1</sup>

Principal and Interest

Monthly

Residence

☒

Balance As of Date

Loan Date

Renegotiate

Original Principal

Jun 26 2014

Dec 31 2013

Refinanced

\$20,222

1

When converting a plan from Average income tax to Detailed income tax, if you do not have an asset linked to the liability the *Interest is Tax Deductible* check box will be inaccessible. To create a link, use the *Link to Asset* list.

Calculation Options

Variable Payment?

Balance

Payment

Years

Months

End Date

Yes

\$20,222

Varies

25

4

Oct 25 2039

Variable Interest Rate Schedule

ADD INTEREST RATE PERIOD

This section allows you to model changing interest rates on your mortgage. The schedule begins on the date entered in the Balance As of Date field for this mortgage.

Payment Amount

The interest rate will be 3.000% for the next 24 months \$94.84 ✕

The interest rate will be 8.000% for the remaining months \$150.83

Liability Details dialog box for a Variable Mortgage (Level 2 Plan)

## Entering accounts

You can manually enter investment accounts and holdings directly into NaviPlan Level 1 or Level 2 Plans.

### Creating accounts

You can enter separate accounts for each of your clients' investment holdings, or you can group holdings together within one account. You cannot combine registered and non-registered holdings within the same account. Also, you cannot combine holdings that have different ownerships within the same account.

To enter an investment account, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Accounts** page.

The screenshot shows the 'Registered and Non-Registered Accounts' page. At the top right is an 'ADD ACCOUNT' button with a dropdown menu. The dropdown menu lists four options: 'Simple Account', 'Investment Portfolio', 'Mutual Fund', and 'Cash Account'. Below the button is a table with the following columns: 'Description', 'Account Type', 'Owner', 'Market Value', 'Cost Base', 'Asset Class Weightings', 'Return Rates', 'Savings Strategies', 'Holdings', and 'Actions'. The first row in the table is 'New account', 'Non-Registered', 'Joint', '\$0', '\$0', and a dropdown arrow. The 'Return Rates' column shows '0.00%' and the 'Savings Strategies' column shows '0'. There is an 'Add...' button in the 'Holdings' column.

Enter Financial Data section – Net Worth category – Accounts page

2. Under **Registered and Non-Registered Accounts**, click **Add Account**. NaviPlan creates a simple account without holdings.  
OR  
Click **Add Account**, and then select an account type from the menu. If you select **Simple Account**, NaviPlan creates an account without holdings. If you select **Investment Portfolio**, **Mutual Fund**, or **Cash Account**, NaviPlan creates an account with holdings and the **Account Details** dialog box opens.
3. Enter a unique **Description**, such as name or account number to identify this account/holding.
4. From the **Account Type** menu, select the tax category of the account (for example, **Non-Registered or RRSP**).
5. Select the **Owner** of the account.
6. Enter the current **Market Value** of the account. If the account is a non-registered, simple account complete the **Cost Base** field.  
OR  
If the account is a registered account with holdings, click the link under **Cost Base** to open the **Account Details** dialog box. In the **Cost Base** field, enter the amount of the after-tax contributions.
7. If the account is fully weighted in one asset class, select the class from the **Asset Class Weightings** menu.  
OR  
If the account is weighted in multiple asset classes, select **Manual Classification** from the **Asset Class Weightings** menu. Assign percentages to various asset classes to equal 100%, and then click **OK**.


From the **Account Details** dialog box (accessed by clicking ) , you can

- Assign the account to a specific goal or multiple goals by making a selection from the **Goal Funding** menu.
- Stop a portion of an account from being included in asset reallocation by entering either the percentage or the dollar value of the amount to be excluded from reallocation in the **Hold %/\$** field.
- Create a new account by clicking **Add Account**, and then selecting either an account type or **Copy of Current**; if you select **Copy of Current**, NaviPlan creates a copy of the existing account.
- View or edit another account by clicking **Next Entry** or **Previous Entry**.

## Entering holdings

To enter the holdings within an account, follow these steps:


1. Go to the **Enter Financial Data – Net Worth – Accounts** page. If no holdings exist for an account, an **Add** button appears under **Holdings**. If holdings already exist for the account, the number of holdings appears as a link.
2. Under **Holdings**, click **Add** (or the numbered link) for the appropriate account. If you are creating the account's first holding, the default holding **New Holding** appears.

**Note:** If user-defined holdings already exist, click **Add Holding** for each new holding you want to add. Or, click  next to **Add Holding**, then select either **Blank Holding** or **Classified Holding**.

Holdings
Savings Strategy
Redemptions
Return Rates
Account Fee Setup

**Holdings**

Classify
Reset Symbols
ADD HOLDING ▾


Description *	Symbol	Market Value	Hold %/\$	Cost Base	Valuation Date	Asset Class Weightings	Return Rates	Actions
IG AGF Canadian Bonds	IG	\$6,516	25%	\$5,250	Jun 27 2014	Canadian Bonds ▾	3.27%	

Account Details dialog box – Holdings tab (Level 2 Plan)

3. If you are using predefined asset allocation, enter the holding's **Symbol**, and then click **Classify**. NaviPlan enters the symbol's description and asset class weighting.  
OR  
If the holding is fully weighted in one asset class, select the class from the **Asset Class Weightings** menu.  
OR  
If the holding is weighted in multiple asset classes, select **Manual Classification** from the **Asset Class Weightings** menu. Assign percentages to various asset classes to equal 100%, and then click **OK**.
4. To manually set the return rates for the holding, click the **Return Rates** link to open the **<holding> Return Rates** dialog box. Select **Override**, and then change the appropriate return rates and standard deviations.

## Entering a hold on a holding within an account


To stop a specific portion of a holding within an account from being included in asset reallocation, follow these steps:

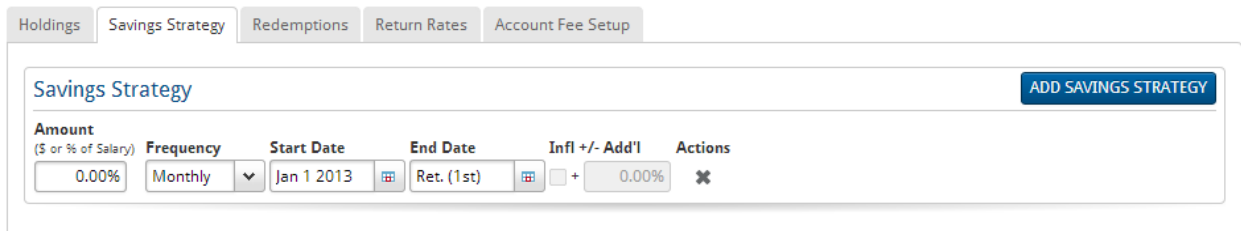
1. Go to the **Enter Financial Data – Net Worth – Accounts** page.
2. Click .
3. On the **Holdings** tab in the **Hold %/\$** field, enter either the percentage or the dollar value of the specific holding that should be excluded from asset reallocation.


## Entering savings strategies for accounts

Savings strategies can be set up either when entering an account or at a later time.

To define regular savings or contributions to an account, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Accounts** page.
2. Under **Registered and Non-Registered Accounts**, click  for the appropriate account.
3. Go to the **Savings Strategy** tab.
4. Click **Add Savings Strategy**.



Amount (\$ or % of Salary)	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
0.00%	Monthly	Jan 1 2013	Ret. (1st)	+ 0.00%	

Account Details dialog box – Savings Strategy tab (showing an IRA)


5. Enter either the dollar amount or percentage of salary to be contributed and the frequency of the savings contribution. Ensure dollar values under 25 are entered with a dollar sign, or they are assumed to be percentages.
6. Enter the **Start Date** and **End Dates** of the strategy.
7. To index the strategy for inflation, select the **Infl** option. To index by an amount greater or less than the default inflation rate, enter a different percentage in the **+/- Add'l** field.

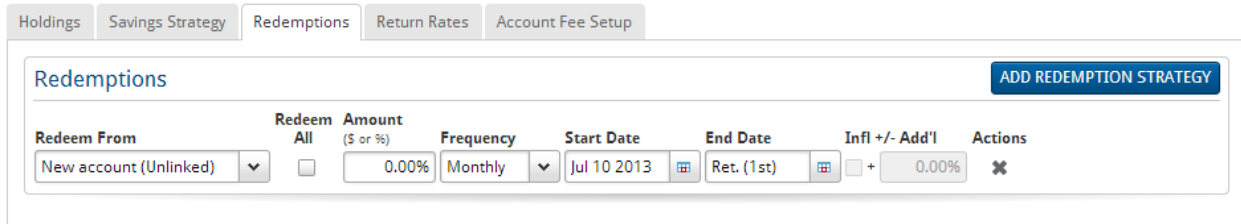
**Note:** The **Infl** option is not accessible when a percentage of salary is entered.

## Setting up a redemption strategy for an account (Level 2, Detailed Tax)




You can enter a redemption strategy for any account type to redeem an account over a period of time, or you can redeem an account in full as a lump sum.

To set up a redemption strategy, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Accounts** page.
2. Under **Registered and Non-Registered Accounts**, click  for the appropriate account.
3. Go to the **Redemptions** tab.



The screenshot shows the 'Redemptions' tab in the Account Details dialog box. At the top, there are tabs for 'Holdings', 'Savings Strategy', 'Redemptions' (selected), 'Return Rates', and 'Account Fee Setup'. Below the tabs is a header 'Redemptions' with a blue button 'ADD REDEMPTION STRATEGY'. The main form area contains the following fields:

Redeem From	Redeem All	Amount (\$ or %)	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
New account (Unlinked) ▼	<input type="checkbox"/>	0.00%	Monthly ▼	Jul 10 2013 	Ret. (1st) 	<input type="checkbox"/> + 0.00%	


Account Details dialog box – Redemptions tab – Redemptions section (Level 2 Plan, Detailed Tax method)

4. To redeem a portion of the account or all of the account over time, in the **Amount (\$ or %)** field, enter either the percentage of the account to redeem or an amount to redeem periodically based on the selection from the **Frequency** menu.
- OR
- To redeem the entire account as a lump sum, select the **Redeem All** option.
5. Select the **Frequency** of redemptions.
6. Enter the **Start Date** and **End Dates** of the redemption strategy.  
**Note:** The **End Date** field is not accessible if **Redeem All** or **Lump Sum** is selected.
7. To index the strategy for inflation, select the **Infl** option. To index by an amount greater or less than the default inflation rate, enter a different percentage in the **+/- Add'l** field.  
**Note:** The **Infl** option is not accessible when **Redeem All** or **Lump Sum** is selected or a percentage of the account is entered.
8. Click **OK** to save the redemption strategy.

## Overriding calculated return rates for accounts

NaviPlan calculates an overall return rate for an account based on the return rates and dollar value of the holdings in the account. You can override the return rates for any account.

To override calculated return rates for an account, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Accounts** page.
2. Under **Registered and Non-Registered Accounts**, click  for the appropriate account.
3. Go to the **Return Rates** tab.

Savings Strategy	Redemptions	Return Rates	Account Fee Setup
<b>Pre-Retirement</b> Reinvestment Strategy (after-tax income) <span>Reinvest ▼</span>		<b>Retirement</b> Reinvest <span>▼</span>	
<input type="checkbox"/> Override			
	<b>Pre-Retirement</b>	<b>Retirement</b>	
Interest	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	
Dividends	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	
Capital Gains	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	
Deferred Growth	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	
<b>Total</b>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	
Standard Deviation	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	


Account Details dialog box – Return Rates tab

4. Select the **Override** option, and then revise the return rates and standard deviations.

## Setting the account fee for an account

NaviPlan allows you to set a default account fee for the client from the **Settings** menu – **Plan Settings – General** tab, and for a plan on the **Plan Management** section – **Assumptions – General**. You can also set the account fee for an individual account in the **Account Details** dialog box.

To set the account fee for an account, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Accounts** page.
2. Under **Registered and Non-Registered Accounts**, click  for the appropriate account.
3. Go to the **Account Fee Setup** tab.

Savings Strategy	Redemptions	Return Rates	Registered Account Setup	Account Fee Setup
<input checked="" type="checkbox"/> Override				
<b>Annual Fee Amount</b> <input type="text" value="0.00%"/>		<b>Frequency</b> <input type="text" value="Quarterly"/> ▼	<b>Pay Fees From</b> <input type="text" value="New account"/> ▼	<b>Tax Deductible</b> <input checked="" type="checkbox"/>

Account Details dialog box – Account Fee Setup tab (Detailed Tax method)

4. Select **Override**.
5. Adjust the account fee details as required.


**Note:** The **Tax Deductible** option is available only when using the Detailed Tax method.

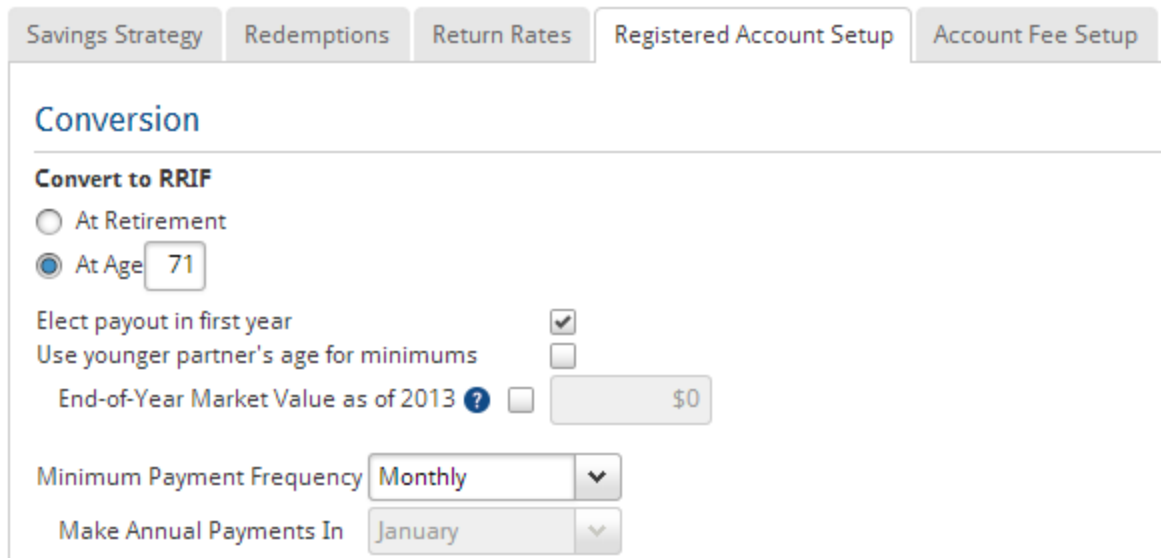
## Converting accounts to retirement income funds

You can specify the payout and conversion options for registered accounts. To set up a specific account type, see the following procedures:

### Converting RRSPs or DPSPs to RRIFs

To set up an RRSP, a DPSP, or a RRIF, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Accounts** page.
2. Under **Account List**, for the appropriate RRSP or RRIF, click .
3. Go to the **Registered Account Setup** tab.



Savings Strategy | Redemptions | Return Rates | **Registered Account Setup** | Account Fee Setup

### Conversion

**Convert to RRIF**

☐ At Retirement

☒ At Age

Elect payout in first year ☒

Use younger partner's age for minimums ☐

End-of-Year Market Value as of 2013 ☐

Minimum Payment Frequency  ▼


Make Annual Payments In  ▼

Enter Financial Data section – Net Worth category – Accounts page (showing Registered Account Setup tab for an RRSP)

4. If you are setting up an RRSP, under **Convert to RRIF**, select the time when the conversion to an RRIF will occur.
5. To use a younger age, under **General Information**, select the **Use younger partner's age for minimums** option.
6. If applicable, under **Annuity Information**, select **Convert to Annuity**, and then enter an interest rate.
7. To change the age at which to convert the annuity, enter a new age in the **At Age** field.

### Setting up RPPs, LIFs, and LIRAs

To set up a RPP, LIF, or LIRA, follow these steps:

1. Go to the **Enter Financial Data** section – **Net Worth** category – **Accounts** page.
2. Under **Account List**, for the appropriate account, click the  button or click anywhere on that row.
3. Go to the **Registered Account Setup** tab.

Savings Strategy
Return Rates
Registered Account Setup
Account Fee Setup

### Conversion

**Convert to**

☒ LIF  
☐ LRIF

**Conversion Preference**

☒ Automatic  
 Conversion will occur at first occurrence of a deficit during retirement, no earlier than age   
☐ At Retirement  
☐ At Age

**Payout Options**

Elect payout in first year ☒  
 Use younger partner's age for minimums ☐  
 End-of-Year Market Value as of 2012 ☐   
 Use maximum payout amount ☐  
 Rate for determining maximum payout   
 Governing legislative area

Minimum Payment Frequency   
 Make Annual Payments In

Enter Financial Data section – Net Worth category – Accounts page (showing Registered Account Setup tab for an RPP)

4. If you are not entering a LIF, under **Conversion Preference**, select one of the following:
  - **Convert to LIF** – The account will convert to a LIF at the age you specify
  - **Convert to LRIF** – The account will convert to a LRIF at the age you specify


If you are converting to an LRIF, skip the remaining steps.
5. Select the age you want the conversion to occur.
6. To maximize the payment amount based on the maximum rate, select the **Use maximum payment amount** option.
7. Enter the interest rate that will determine the maximum rate, and then select the owner's province.
8. From the **Minimum Payment Frequency** menu, select the desired frequency. If **Annual** is selected, select the month in which the annual payment will be made.
9. If applicable, under **Annuity Information**, select **Convert to Annuity**, and then enter an interest rate in the **Annuity Return** field.
10. To change the age at which to convert the annuity, enter the age in the **At Age** field.



## Setting up an LRIF

**Note:** LRIFs are not available in all jurisdictions.

To set up a LRIF, follow these steps:

1. Go to the **Enter Financial Data** section – **Net Worth** category – **Accounts** page.
2. Under **Account List**, for the appropriate account, click the  button or click anywhere on that row. A dialog box opens.
3. Go to the **Registered Account Setup** tab.

Return Rates
Registered Account Setup
Account Fee Setup

### Conversion

**Convert to**

☐ LIF  
☒ LRIF

**Conversion Preference**

☒ Automatic  
Conversion will occur at first occurrence of a deficit during retirement, no earlier than age

☐ At Retirement  
☐ At Age

**Payout Options**

Elect payout in first year ☒  
Use younger partner's age for minimums ☐  
End-of-Year Market Value as of 2012 ☐

Use maximum payout amount ☐  
Rate for determining maximum payout

Governing legislative area

Minimum Payment Frequency

Make Annual Payments In

Financial Picture section – Net Worth category – Accounts page (showing Registered Account Setup tab for an LRIF)

4. Under **LRIF Historical Information**, enter the LRIF details.
5. To maximize the LRIF payment amount, select the **Use maximize payout amount** option.

## Entering fixed income streams

You can enter annuities and guaranteed withdrawal benefits directly in NaviPlan Level 1 or Level 2 Plans.

### Entering guaranteed withdrawal benefit plans

To enter guaranteed withdrawal benefit plans, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Annuities** page.


Enter Financial Data section – Net Worth category – Annuities page

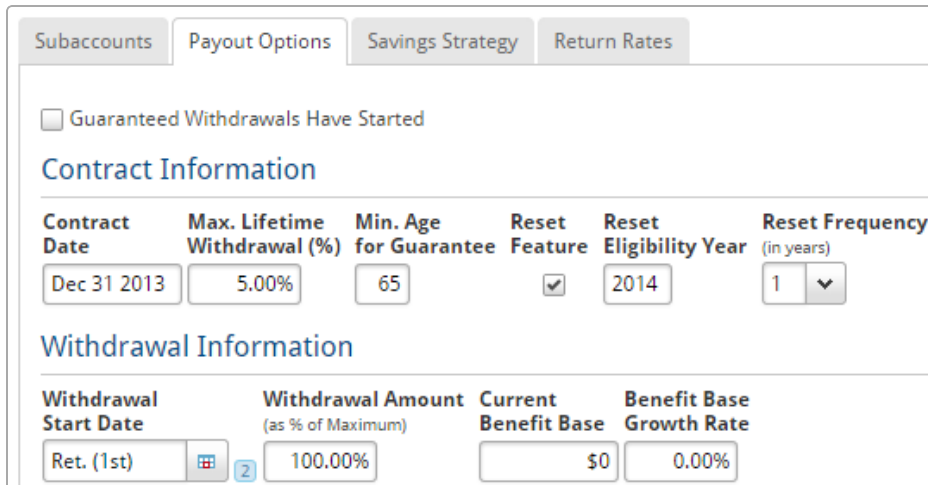
2. Under **Guaranteed Withdrawal Benefit**, click **Add Guaranteed Withdrawal Benefit**.
3. Enter a unique **Description**, then select an **Account Type** and **Owner**.
4. Click to open the **Guaranteed Withdrawal Benefit Details** dialog box.
5. Select the **Annuitant**.
  - When **Joint** is selected from the **Annuitant** menu and one client dies, the surviving client receives the payouts until their death.
6. Enter the annual **Guarantee Fee**.
7. To establish the **Market Value** and **Cost Basis**, go to the **Subaccounts** tab and enter the value and base of all associated holdings.

Enter Financial Data section – Net Worth category – Annuities page – Guaranteed Withdrawal Benefit Details – Subaccounts tab

## Entering payout options for guaranteed withdrawal benefits

To specify payout options for guaranteed withdrawal benefits, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Annuities** page.
2. Click  for the appropriate guaranteed withdrawal benefits.
3. Go to the **Payout Options** tab.



The screenshot shows the 'Payout Options' tab of the 'Guaranteed Withdrawal Benefit Details' dialog box. At the top, there are four tabs: 'Subaccounts', 'Payout Options' (selected), 'Savings Strategy', and 'Return Rates'. Below the tabs is a checkbox labeled 'Guaranteed Withdrawals Have Started'. The main section is titled 'Contract Information' and contains six fields: 'Contract Date' (Dec 31 2013), 'Max. Lifetime Withdrawal (%)' (5.00%), 'Min. Age for Guarantee' (65), 'Reset Feature' (checked), 'Reset Eligibility Year' (2014), and 'Reset Frequency' (1 in years). Below this is another section titled 'Withdrawal Information' with four fields: 'Withdrawal Start Date' (Ret. (1st)), 'Withdrawal Amount (as % of Maximum)' (100.00%), 'Current Benefit Base' (\$0), and 'Benefit Base Growth Rate' (0.00%).


Guaranteed Withdrawal Benefit Details dialog box – Payout Options tab

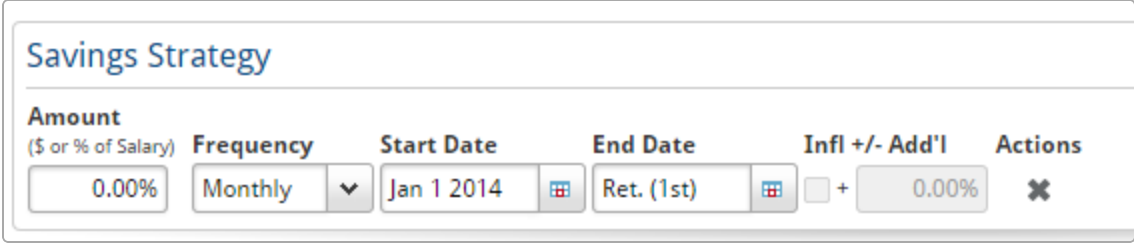
4. If the payouts have started, select **Guaranteed Withdrawals Have Started**.
5. Under **Contract Information**, enter the **Contract Date**, the **Max. Lifetime Withdrawal %**, and the **Min. Age for Guarantee** the annuitant must reach before payouts can begin.
6. If the annuity has a reset feature, select the **Reset Feature** option. Enter the first year the reset is available under **Reset Eligibility Year**, and then set the **Reset Frequency** for subsequent years.
7. Under **Withdrawal Information**, enter the **Withdrawal Start Date**, the **Withdrawal Amount** as a percentage of the maximum amount, the **Current Benefit Base**, and the **Benefit Base Growth Rate**.




## Entering savings strategies for guaranteed withdrawal benefits

Savings strategies can be set up either when entering a guaranteed withdrawal benefit plan, or at a later time.

To define regular savings or contributions toward a guaranteed withdrawal benefit plan, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Annuities** page.
2. Under **Guaranteed Withdrawal Benefits**, click  for the appropriate plan.
3. Go to the **Savings Strategy** tab.
4. Click **Add Savings Strategy**.



Amount (\$ or % of Salary)	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
0.00%	Monthly ▼	Jan 1 2014 	Ret. (1st) 	<input type="checkbox"/> + 0.00%	


Guaranteed Withdrawal Benefit Details dialog box – Savings Strategy tab

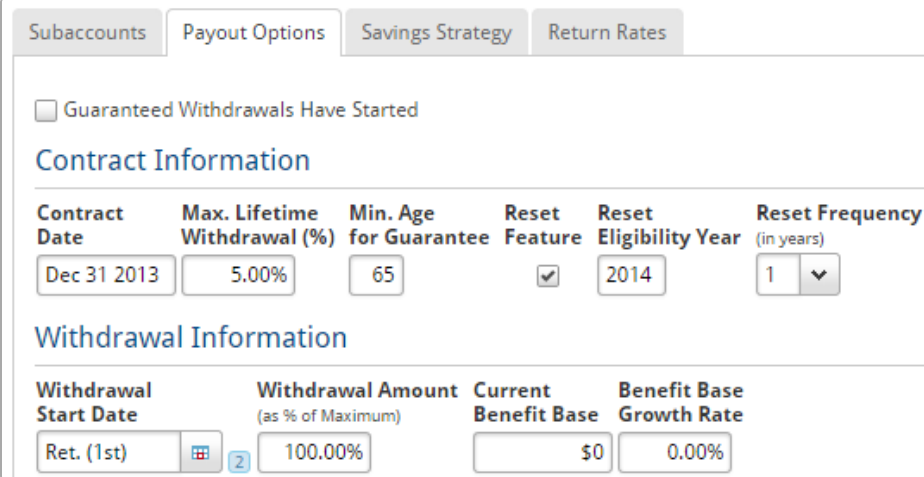
5. Enter either the dollar amount or percentage of income to be contributed along with the **Frequency** of the contribution.
  - Ensure dollar values under 25 are entered with a dollar sign, or they are assumed to be percentages.
  - For certain registered annuities, to have the employee contribute the maximum amount as the federal limit increases, enter **max** in the **Amount** field.
6. Enter the **Start Date** and the **End Date** of the strategy.
7. To index the strategy for inflation, select the **Infl** option. To index by an amount greater or less than the default inflation rate, enter a different percentage in the **+/- Add'l** field.

**Note:** The **Infl** option is not accessible when a percentage of salary is entered.

## Entering payout options for guaranteed withdrawal benefits

To specify payout options for guaranteed withdrawal benefits, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Annuities** page.
2. Click  for the appropriate guaranteed withdrawal benefits.
3. Go to the **Payout Options** tab.




☐ Guaranteed Withdrawals Have Started

### Contract Information

Contract Date	Max. Lifetime Withdrawal (%)	Min. Age for Guarantee	Reset Feature	Reset Eligibility Year	Reset Frequency (in years)
Dec 31 2013	5.00%	65	<input checked="" type="checkbox"/>	2014	1 ▼

### Withdrawal Information

Withdrawal Start Date	Withdrawal Amount (as % of Maximum)	Current Benefit Base	Benefit Base Growth Rate
Ret. (1st)  2	100.00%	\$0	0.00%


Guaranteed Withdrawal Benefit Details dialog box – Payout Options tab

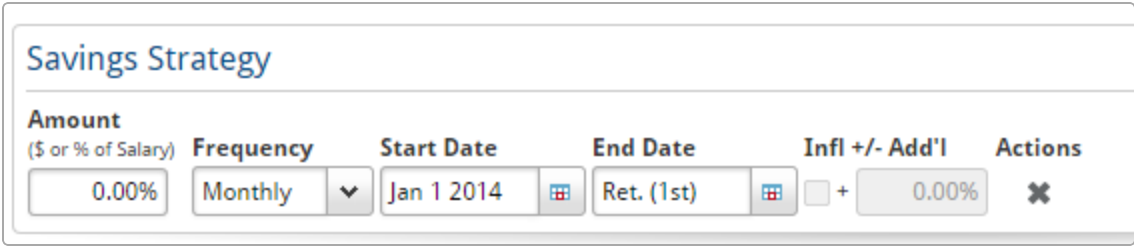
4. If the payouts have started, select **Guaranteed Withdrawals Have Started**.
5. Under **Contract Information**, enter the **Contract Date**, the **Max. Lifetime Withdrawal %**, and the **Min. Age for Guarantee** the annuitant must reach before payouts can begin.
6. If the annuity has a reset feature, select the **Reset Feature** option. Enter the first year the reset is available under **Reset Eligibility Year**, and then set the **Reset Frequency** for subsequent years.
7. Under **Withdrawal Information**, enter the **Withdrawal Start Date**, the **Withdrawal Amount** as a percentage of the maximum amount, the **Current Benefit Base**, and the **Benefit Base Growth Rate**.


## Entering savings strategies for guaranteed withdrawal benefits

Savings strategies can be set up either when entering a guaranteed withdrawal benefit plan, or at a later time.

To define regular savings or contributions toward a guaranteed withdrawal benefit plan, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Annuities** page.
2. Under **Guaranteed Withdrawal Benefits**, click  for the appropriate plan.
3. Go to the **Savings Strategy** tab.
4. Click **Add Savings Strategy**.



Amount (\$ or % of Salary)	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
0.00%	Monthly	Jan 1 2014	Ret. (1st)	<input type="checkbox"/> + 0.00%	

Guaranteed Withdrawal Benefit Details dialog box – Savings Strategy tab

5. Enter either the dollar amount or percentage of income to be contributed along with the **Frequency** of the contribution.
  - Ensure dollar values under 25 are entered with a dollar sign, or they are assumed to be percentages.
  - For certain registered annuities, to have the employee contribute the maximum amount as the federal limit increases, enter **max** in the **Amount** field.
6. Enter the **Start Date** and the **End Date** of the strategy.
7. To index the strategy for inflation, select the **Infl** option. To index by an amount greater or less than the default inflation rate, enter a different percentage in the **+/- Add'l** field.

**Note:** The **Infl** option is not accessible when a percentage of salary is entered.

## Entering annuities

To enter an annuity, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Annuities** page.

Assets/Liabilities Accounts **Annuities** Holding Companies Asset Class Weightings < >

Enter any guaranteed withdrawal benefit, any annuities your clients currently receive payments from and any future annuity purchases. \* Required

**Guaranteed Withdrawal Benefit** ADD GUARANTEED WITHDRAWAL BENEFIT

Description	Account Type	Owner	Market Value	Cost Base	Asset Class Weightings	Return Rates	Savings Strategies	Subaccounts	Actions
GWB Reg	RRSP	Eric	\$250,000		\$0 100% US E...	8.60%	0	1	

**Existing Annuities** ADD EXISTING ANNUITY

Description	Account Type	Owner	Benefit Payment Amount	Actions
Joint Annuity	Non-Registered	Joint	\$45,000 /yr	

**Future Annuities** ADD FUTURE ANNUITY

Click the **Add Future Annuity** button to create a new row.

Enter Financial Data section – Net Worth category – Annuities page

- To enter an existing annuity, under **Existing Annuities**, click **Add Existing Annuity**.
- To enter a planned annuity purchase in the future, under **Future Annuity Purchases**, click **Add Annuity Purchase**.
- Enter a unique **Description** to identify this annuity, and then select an **Account Type** and **Owner**.
- Click to open the **Annuity Details** dialog box. Select the **Annuitant**.
- Select an **Income Option** (method for receiving annuity payments):

Income option	Calculation
---------------	-------------

<b>Term Certain</b>	<ul style="list-style-type: none"> <li>NaviPlan calculates the payment per \$1,000 based on the number of years the annuity is set to pay out.</li> </ul>
---------------------	---

<b>Life Income</b>	<ul style="list-style-type: none"> <li>NaviPlan calculates the payment per \$1,000 based on the annuitant's life expectancy and the guaranteed number of years.</li> <li>For joint annuitants, NaviPlan assumes the survivor will receive the percentage of the full benefit amount entered under <b>Survivor Payments</b>.</li> </ul>
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- For future annuity purchases, enter the **Transfer Amount**, **Transfer Date**, and **Assumed Interest Rate (AIR)**.

**Note:** The **AIR** is used to determine the **Payment per \$1,000** under **Payout Options**. If the amount calculated by NaviPlan does not match the amount indicated by your clients' insurance company, adjust the **AIR** percentage until the **Payment per \$1,000** corresponds to your clients' situation.

## Entering payout options for existing annuities

Description	Account Type	Owner	Annuitant	Income Option
Joint Annuity	Non-Register	Joint	Joint	Life Income

1 Prescribed taxation is assumed for non-registered life and term annuities.

Payout Options

Payment Start Date	% Taxable	Payment Frequency	Guaranteed Number of Years	Guaranteed Period End Date
Dec 31 2035	100.00%	Annual	10	Dec 31 2044


Benefit Payment Amount	Index Payments	Index Rate
\$6,000	<input type="checkbox"/>	0.00%

Survivor Payments

% Payable to Client	% Payable to Co-Client
50.00%	50.00%

Annuity Details dialog box – Payout Options tab (showing the Life Income option)

To specify payout options for an existing annuity, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Annuities** page.
2. Click  for the appropriate existing annuity.
3. Go to the **Payout Options** tab.
4. Enter the **Payment Start Date**, and **Payment Frequency**.
5. Enter one of the following based on the **Income Option** selected for the annuity:
  - For **Life Income**, enter the **Guaranteed Number of Years**.
  - For **Term Certain**, enter the **Number of Years**.
6. Enter the **Benefit Payment Amount**.
7. If **Life Income** is selected as the **Income Option**, enter the percentage of benefits payable to the clients under **Survivor Payments**.
8. If the payment amount should be indexed, select the **Index Payments** option and enter the **Index Rate**.



### Entering payout options for future annuity purchases

<b>Description</b> *	<b>Account Type</b>	<b>Owner</b>	<b>Annuitant</b>	<b>Income Option</b>
Eric's Annuity	TFSA	Eric	Eric	Life Income


<input checked="" type="checkbox"/> Autofund	<b>Transfer Amount</b>	<b>Transfer Date</b>	<b>AIR</b>
	\$10,000	Ret. (1st)	0.00%

<b>Payout Options</b>						
<b>Frequency</b>	<b>Index Payments</b>	<b>Index Rate</b>	<b>Override</b>	<b>Payment per \$1000</b>	<b>Guaranteed Number of Years</b>	<b>Guaranteed Period End Date</b>
Annual	<input type="checkbox"/>	0.00%	<input type="checkbox"/>	\$99.98	10	

Future Annuity Details dialog box – Payout Options tab (showing the Life Income income option)

To specify payout options for an annuity that will be purchased in the future, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Annuities** page.
2. Click  for the appropriate future annuity.
3. Go to the **Payout Options** tab.
4. Select the **Payment Frequency**.
5. If the payment amount should be indexed, select the **Index Payments** option and enter the **Index Rate**.
6. NaviPlan automatically calculates the **Payment per \$1000** using the **AIR** percentage entered above. If this value does not match the amount indicated by your clients' insurance company, do the following:
  - Select **Override**, then adjust the **Payment per \$1000** to correspond to your clients' situation.
7. Enter one of the following based on the **Income Option** selected for the annuity:
  - For **Life Income**, enter the **Guaranteed Number of Years**.
  - For **Term Certain**, enter the **Number of Years**.

## Entering holding companies

NaviPlan provides a fact finder that you can use to gather the information needed to enter a holding company. To access the fact finder, go to the **Quick Actions** menu – **Fact Finders** – **Holding Companies**. It is recommended that you complete this fact finder before you begin data-entry.

Clicking the **Help** button on the **Enter Financial Data – Net Worth – Holding Companies** page will provide you with information about the following:

- Assumptions that apply to holding companies in the analysis
- Taxation of holding companies
- Notional accounts: **Refundable Dividend Tax on Hand** and **Capital Dividend Account**
- **Dividend Distributions** and **Funding Dividend Distributions**

Income from the holding company becomes part of clients' personal cash flow, however holding companies cannot be linked to goals.

To add a holding company to a plan, follow these steps:

1. Go to the **Enter Financial Data** section – **Net Worth** category – **Holding Companies** page.
2. Click **Add Holding Company**.
3. Complete the required information. Note that the **Corporate Year End** field is for information purposes only. It is not used in calculations.

## Establishing the holding company's share structure

To define the common and preferred share structure of the holding company and set up automatic distributions of preferred share dividends, follow these steps:

1. In **Holding Company Details**, go to the **Share Structure** tab.

**Holding Company Details** \* Required ? %

Enter additional information for your clients' holding companies using the available fields in this dialog box.

**Description** Holding Company
**Total Value of Shares**

Robert	Sarah	Other
\$0	\$0	\$0

**Province of Incorporation** Manitoba
**Province of Taxation** Manitoba
**Corporate Year End** Dec 31  
(information only)

Share Structure Historical Data Investment Account Other Assets Life Insurance Contributions Withdrawals Estate

Use this tab to add the specific holding company's share structure and to set-up automatic preferred share dividend distributions.

**Ownership Details**

Valuation Date\* Jul 10 2013

Shareholder	# of Shares Owned	Market Value	Common Shares				Preferred Shares					
			Paid-Up Capital		Adjusted Cost Base		Redemption value per share	Paid-Up Capital		Adjusted Cost Base		
			Per Share	Total	Per Share	Total		Per Share	Total	Per Share	Total	
Robert	0	\$0	\$0	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
Sarah	0	\$0	\$0	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
Other	0	\$0	\$0	\$0	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Preferred Automatic Dividends**  
 Annual Dividend Yield (% of Redemption Value) 0.00%  
 Dividend Type Non-Taxable

OK CANCEL

Holding Company Details dialog box – Share Structure tab

- In the **Valuation Date** field, enter the last known date at which the market value was assessed.
- Enter the number of common shares owned by each shareholder, the paid-up capital per share and total value, and the adjusted cost base per share and total value.
- Under **Preferred Shares**, enter the **Redemption value per share**.
- Enter the number of preferred shares owned by each shareholder, the paid-up capital per share and total value, and the adjusted cost base per share and total value.
- In the **Annual Dividend Yield (% of Redemption Value)** field, enter the percentage of **Redemption value per share** to pay annually as dividends to shareholders of preferred shares.
- From the **Dividend Type** menu, indicate whether the dividends are taxable or non-taxable.

## Entering holding company historical data and outstanding shareholder loans

To define the holding company's notional account and carryover details, as well as any shareholder loans to the holding company that are still outstanding, follow these steps:

- Go to the **Historical Data** tab.

**Holding Company Details** \* Required ?

Enter additional information for your clients' holding companies using the available fields in this dialog box.

Description	Total Value of Shares			Province of Incorporation	Province of Taxation	Corporate Year End (information only)
	Robert	Sarah	Other			
Holding Company	\$0	\$0	\$0	Manitoba	Manitoba	Dec 31

Share Structure | **Historical Data** | Investment Account | Other Assets | Life Insurance | Contributions | Withdrawals | Estate

Use this tab to add any notional account end-of-year values or carryover information related to the specific holding company. Also, use this tab to enter the total amount owed by the holding company.

**Notional Accounts**

RDTOH End-of-Year Value for 2012	\$0
CDA End-of-Year Value for 2012	\$0
Dividend Refund for 2012	\$0
Capital Loss Carryover End-of-Year Value for 2012	\$0 <a href="#">DETAILS</a>

**Outstanding Shareholder Loans to the Holding Company**

Valuation Date: Jul 10 2013

	Robert	Sarah	Other	Total
Loan Balance (as of Valuation Date)	\$0	\$0	\$0	\$0

**OK** CANCEL

Holding Company Details dialog box – Historical Data tab (showing the tabs only)

- Under **Notional Accounts**, enter the previous year's end-of-year Refundable Dividend Tax On Hand (**RDTOH**).
- Enter the previous year's end-of-year Capital Dividend Account (**CDA**) value.
- Enter the previous year's **Dividend Refund**.
- Enter the total value of the holding company's capital loss carryovers for the previous year.
- To enter further carryover details, click **Details**.
- Under **Outstanding Shareholder Loans to the Holding Company**, enter the **Loan Balance** for each shareholder in the associated field. The total is calculated by NaviPlan.

## Entering holding company investment accounts and subaccounts

Holding companies can have only one investment account, which is considered a non-registered portfolio.

To define the holding company's investment account, follow these steps:

- Go to the **Investment Account** tab.

**Holding Company Details** \* Required ? ✖

Enter additional information for your clients' holding companies using the available fields in this dialog box.

Description <span style="color: red;">*</span>	Total Value of Shares			Province of Incorporation	Province of Taxation	Corporate Year End (information only)
	Robert	Sarah	Other			
Holding Company	\$0	\$0	\$0	Manitoba	Manitoba	Dec 31

Share Structure   Historical Data   **Investment Account**   Other Assets   Life Insurance   Contributions   Withdrawals   Estate

Use this tab to enter the holding company investment account details.

**Account Details**

Description <span style="color: red;">*</span>	Market Value	Cost Base	Valuation Date	Asset Class Weightings	Return Rates	Subaccounts	Actions
Investment Account	\$0	\$0	Jul 10 2013		0.00%	Add...	

**OK**   CANCEL

Holding Company Details dialog box – Investment Account tab (showing the tabs only)

- Enter the relevant account details.  
**Note:** If subaccounts have been entered in the *Investment Account Details* dialog box, the **Market Value** field and **Cost Base** field are not accessible.
- Under **Return Rates**, click the link for the account.
- To enter subaccounts, click **Add** under **Subaccounts**.

**Note:** If subaccounts already exist, the **Add** button is replaced with a link that displays the number of existing subaccounts.

- To enter further details, click .

## Entering other holding company assets

Holding companies can own other assets such as rental properties, vehicles, artwork, operating companies, or equipment. In NaviPlan, these assets affect the holding company's overall net worth, but do not affect its cash flow. Other assets cannot produce income or expenses, nor can they be bought or sold.

To enter other holding company assets, follow these steps:

- Go to the **Other Assets** tab.

**Holding Company Details** \* Required ? ✖

Enter additional information for your clients' holding companies using the available fields in this dialog box.

Description <span style="color: red;">*</span>	Total Value of Shares			Province of Incorporation	Province of Taxation	Corporate Year End (information only)
	Robert	Sarah	Other			
Holding Company	\$0	\$0	\$0	Manitoba	Manitoba	Dec 31

Share Structure | Historical Data | Investment Account | **Other Assets** | Life Insurance | Contributions | Withdrawals | Estate

Use this tab to add any other assets that the specific holding company owns such as real estate, commercial/rental properties, and equipment.

**Other Assets** ADD OTHER ASSET

Description <span style="color: red;">*</span>	Market Value	Cost Base	Valuation Date	Deferred Growth	Standard Deviation	Actions
New Other Asset	\$0	\$0	Jul 10 2013	0.00%	0.00%	✖

**OK** **CANCEL**

Holding Company Details dialog box – Other Assets tab

- Click **Add Other Asset**.
- In the new data-entry row that appears, enter the asset's description, market value, cost base, valuation date, deferred growth, and standard deviation.

## Adding holding company life insurance policies

Life insurance policies for which the holding company pays premiums can be entered. The holding company is considered to be the beneficiary, payer, and owner of these policies.

To enter life insurance policies paid for by the holding company, follow these steps:

- Go to the **Life Insurance** tab.

**Holding Company Details** \* Required ? ✖

Enter additional information for your clients' holding companies using the available fields in this dialog box.

Description <span style="color: red;">*</span>	Total Value of Shares			Province of Incorporation	Province of Taxation	Corporate Year End (information only)
	Robert	Sarah	Other			
Holding Company	\$0	\$0	\$0	Manitoba	Manitoba	Dec 31

Share Structure | Historical Data | Investment Account | Other Assets | **Life Insurance** | Contributions | Withdrawals | Estate


Use this tab to add any life insurance policies to which the specific holding company is paying premiums.

**Life Insurance** ADD LIFE INSURANCE

Description <span style="color: red;">*</span>	Insured	Policy Type	Benefit	Beneficiary	Premium	Actions
Term 100 Life	Robert	Term 100 Life	\$0	Holding Company	\$0 /mo	✖

**OK** **CANCEL**

Holding Company Details dialog box – Life Insurance tab

- Click **Life Insurance**, and then select a policy type.
- In the new data-entry row, enter the life insurance policy details.
- To enter further details, click .

## Entering shareholder contributions to the holding company

On the **Contributions** tab, you can enter transactions from shareholders to the holding company. These funds will be added to the holding company's cash flow. All funds associated with a client will be removed from that client's cash flow.

To enter contributions to the holding company, follow these steps:

1. Go to the **Contributions** tab.

**Holding Company Details** \* Required ? ✕

Enter additional information for your clients' holding companies using the available fields in this dialog box.

Description	Robert	Sarah	Other	Province of Incorporation	Province of Taxation	Corporate Year End (information only)
Holding Company	\$0	\$0	\$0	Manitoba	Manitoba	Dec 31

Share Structure | Historical Data | Investment Account | Other Assets | Life Insurance | **Contributions** | Withdrawals | Estate

Use this tab to add transactions that will likely occur at a future date regarding share purchases, inter-company dividends, as well as contributions made to the holding company by the shareholder.

**Inter-Company Dividends Received** ADD INTER-COMPANY DIVIDEND RECEIVED

Received From	Dividend Type	Received Amount*	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
Inter-Company	Non-Taxable	\$0	Annual	Jul 10 2013	Death (2nd)	✓ + 0.00%	✕

**Shareholder Loans to the Holding Company** ADD SHAREHOLDER LOAN

Shareholder	Amount	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
Robert	\$0	Annual	Jul 10 2013	Death (2nd)	✓ + 0.00%	✕

**Share Purchases** ADD SHARE PURCHASE

Share Type	Shareholder	Amount	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
Common	Robert	\$0	Lump Sum	Jul 10 2013		✓ + 0.00%	✕

**OK** **CANCEL**

Holding Company Details dialog box – Contributions tab

2. To add an inter-company dividend, click **Add Inter-Company Dividend Received**.  
To add a shareholder loan, click **Add Shareholder Loan**.  
To add a share purchase, click **Add Share Purchase**.
3. Enter the details of the transaction you added. For specific field details, see the Help.

## Establishing withdrawals from a holding company

Share redemptions, manual dividend distributions, and loan repayments to the shareholder from the holding company can also be entered in NaviPlan.

These withdrawals can be used to client fund goals by directing a withdrawal's after-tax proceeds to the account funding a particular goal. Any residual amounts remaining in the account after the specific goal has been fully funded will be used to fund the retirement goal.

While holding companies provide additional goal funding options, using holding company accounts introduces another level of complexity for taxation at both the personal and corporate levels. You may wish to consider using accounts within holding companies where funds can be withdrawn on a tax-free basis, such as Capital Dividend Account (CDA) balances and shareholder loans.

To enter withdrawals from a holding company, follow these steps:

1. Go to the **Withdrawals** tab.

**Holding Company Details** \* Required ? ✕

Enter additional information for your clients' holding companies using the available fields in this dialog box.

Description	Total Value of Shares			Province of Incorporation	Province of Taxation	Corporate Year End (information only)
	Robert	Sarah	Other			
Holding Company	\$0	\$0	\$0	Manitoba	Manitoba	Dec 31

Share Structure | Historical Data | Investment Account | Other Assets | Life Insurance | Contributions | **Withdrawals** | Estate

Use this tab to add transactions that will likely occur at a future date regarding share redemptions, manual dividend distributions, as well as any Loan Repayments to Shareholder from the holding company.

**Manual Dividend Distributions** ADD MANUAL DIVIDEND DISTRIBUTION

Share Type	Dividend Type	Total Dividend Amount	Frequency	Start Date	End Date	Infl +/- Add'l	Direct Shareholder's After Tax Proceeds To		Actions
							Robert	Sarah	
Common	Non-Taxable	\$0	Annual	Jul 10 2013	Death (2nd)	☑ + 0.00%	Cash Flow	Cash Flow	✕

**Loan Repayments to Shareholder** ADD LOAN REPAYMENT TO SHAREHOLDER

Shareholder	Amount	Frequency	Start Date	End Date	Infl +/- Add'l	Direct Shareholder's After Tax Proceeds To		Actions
						Robert	Sarah	
Robert	\$0	Annual	Jul 10 2013	Death (2nd)	☑ + 0.00%	Cash Flow	Cash Flow	✕

**Share Redemptions** ADD SHARE REDEMPTION

Share Type	Shareholder	Amount	Frequency	Start Date	End Date	Infl +/- Add'l	Direct Shareholder's After Tax Proceeds To		Actions
							Robert	Sarah	
Common	Robert	\$0	Lump Sum	Jul 10 2013		☑ + 0.00%	Cash Flow	Cash Flow	✕

OK CANCEL

Holding Company Details dialog box – Withdrawals tab

2. To add a manual dividend distribution, click **Add Manual Dividend Distribution**.  
To add a loan repayment to shareholder, click **Add Loan Repayment to Shareholder**.  
To add a share redemption, click **Add Share Redemption**.
3. Enter the details of the transaction you added. For specific field details, see the Help.

## Defining holding company share options in the event of death

1. Go to the **Estate** tab.



**Holding Company Details** \* Required ? ✕

Enter additional information for your clients' holding companies using the available fields in this dialog box.

Description	Total Value of Shares			Province of Incorporation	Province of Taxation	Corporate Year End (information only)
	Robert	Sarah	Other			
Holding Company	\$0	\$0	\$0	Manitoba	Manitoba	Dec 31

[Share Structure](#)
[Historical Data](#)
[Investment Account](#)
[Other Assets](#)
[Life Insurance](#)
[Contributions](#)
[Withdrawals](#)
[Estate](#)

Use this tab to specify the actions that should be taken with the holding company shares upon the death of the client and co-client.

**Estate Details**

Share options at *first death* Transfer to survivor ▼

Share options at *second death* and death in the same year Sold to Other shareholder ▼

Estate Freeze (information only) ☐ Jul 2013

OK
CANCEL

Holding Company Details dialog box – Estate tab

- From the **Share options at first death** menu, indicate whether the shares should be purchased by the holding company, sold to the **Other** shareholder, or transferred to the surviving client.
- From the **Share options at second death** and **death in the same year** menu, indicate whether shares should be purchased by the holding company or sold to the **Other** shareholder.
- Use the **Estate Freeze** option and field to indicate whether an estate freeze should occur, and the month and year of the freeze.

## Defining asset class weightings

To define asset class weightings for all accounts on the **Accounts** page, do one of the following:

- If the asset belongs to a single asset class, select that asset class from the **Asset Class Weightings** menu.
- If the asset is weighted in multiple asset classes, select **Manual Classification** from the **Asset Class Weightings** menu, assign percentages to various asset classes to equal 100%, and then click **OK**.
- If you have the predefined Asset Allocation option and you know the symbol for the asset you are modifying, enter it in the **Symbol** field, and then click **Classify**. NaviPlan enters the description and asset class weighting for the symbol.
- If you have the predefined Asset Allocation option and you want to classify the asset but do not know the symbol of the asset you are modifying, you can search the predefined Asset Allocation database as shown in **Searching the asset classifier database** below.

### Searching the asset classifier database

If you have the predefined Asset Allocation option, you can search for an asset classifier to use in the asset class weightings.

To search the asset classifier database, do the following:

1. Go to the page or dialog box of the asset for which you want to set the asset class weightings.
2. From the **Asset Class Weightings** menu, select **Search**.

**Search**

Ticker Symbol

CUSIP

Type  ▼

Asset Class  ▼

Description

Please use wildcards(\*) in your searches

**SEARCH**

Asset Class Weighting Details dialog box

3. Under **Asset Class Weightings Options**, select **Use Asset Classifier Search**.
4. Under **Search**, enter the search criteria, and then click **Search**. The results of the search appear under **Results**. If you are unsure of all the letters in a symbol or name, insert an asterisk (\*) for wildcard searches. For example, to search for assets that begin with "br," enter br\* in the **Ticker Symbol** field.
5. Under **Results**, select the appropriate asset, and then click **OK**.

## Editing asset class weightings (Level 2)

In addition to editing asset class weightings from the account's dialog box, you can also edit asset class weightings for any account on the **Asset Class Weightings** page.

To edit the asset class weightings of an existing account, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Asset Class Weightings** page.

Assets/Liabilities Accounts Holding Companies Asset Class Weightings < >

Assets New account (Account) ▼

**Selected Asset Summary - Account**

Description	Account Type	Owner	Market Value	Cost Basis
New account	Non-Registered	Joint	\$0	\$0

**Asset Class Weightings**

Class Name	Class Percentage	Class Name	Class Percentage
Cash	0.00%	Bonds	0.00%
Investment account	0.00%	Something better	0.00%
<b>Total</b>			0.00%

Enter Financial Data section – Net Worth category – Asset Class Weightings page (Level 2 Plan)

2. Under **Assets**, select the desired account.
3. If the account contains holdings, select a holding.
4. Under **Asset Class Weightings**, enter the appropriate weightings of the asset classes.

## Generating the Asset/Liabilities report

The **Asset/Liabilities** report provides a summary of all the assets, liabilities, and accounts entered in the plan.

To generate the **Asset/Liabilities** report, follow these steps:

1. Go to the **Enter Financial Data** section – **Net Worth** category – **Assets/Liabilities** page.
2. Click **Assets/Liabilities Report**.
3. To generate a printer-friendly report, click **PDF** or **Word**. NaviPlan generates and opens the report in the selected format.

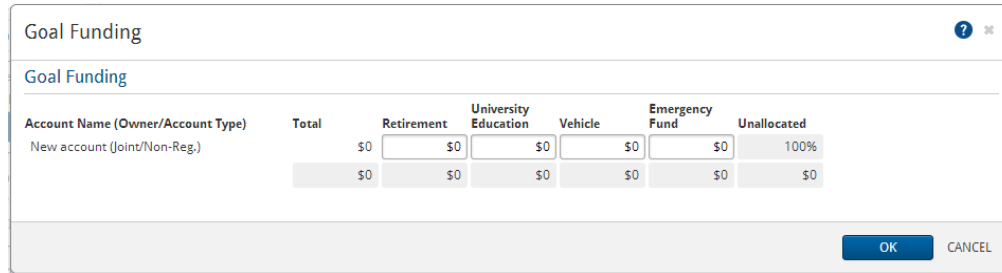
## Funding goals

You can allocate all or a portion of an account to fund specific goals. By default, annuities fund the retirement goal and the funding cannot be adjusted. Registered retirement accounts fund the retirement goal by default, but can be modified to fund education and major purchase goals as well. Registered education accounts can fund only education goals.

1. On the **Enter Financial Data – Net Worth – Accounts** page, click **Goal Funding**.

OR

Go to the **Set Goals – Goal Funding** page.

The dialog box is titled "Goal Funding" and contains a table for allocating funds. The table has columns for "Account Name (Owner/Account Type)", "Total", "Retirement", "University Education", "Vehicle", "Emergency Fund", and "Unallocated". There are two rows of data. The first row shows a "New account (Joint/Non-Reg.)" with a total of \$0 and 100% unallocated. The second row shows a total of \$0 with all other categories at \$0. At the bottom right are "OK" and "CANCEL" buttons.

Account Name (Owner/Account Type)	Total	Retirement	University Education	Vehicle	Emergency Fund	Unallocated
New account (Joint/Non-Reg.)	\$0	\$0	\$0	\$0	\$0	100%
	\$0	\$0	\$0	\$0	\$0	\$0

Goal Funding dialog box

2. For each account and goal, enter any combination of percentages, dollar amounts, or the keyword **balance** to allocate funds to applicable goals.

## Overriding previously accrued investment income

NaviPlan calculates the clients' accrued investment income on non-registered accounts for tax purposes automatically based on the valuation date of the clients' accounts.

To override the accrued investment income amounts, follow these steps:

1. Go to the **Enter Financial Data – Net Worth – Accounts** page.
2. Click **Previously Incurred Investment Activity**.

**Previously Incurred Investment Activity**

Enter the estimated investment income accrued before the valuation date on all non-registered accounts.

**Previously Accrued Investment Income**

Override	Bob	Brenda
<input type="checkbox"/>	\$0	\$0
<input type="checkbox"/>	\$0	\$0
<input type="checkbox"/>	\$0	\$0
<input type="checkbox"/>	\$0	\$0
<input type="checkbox"/>	\$0	\$0

☐ Include income above in cash flow

**Previously Paid Account Fees**

Override	Client	Co-Client
<input type="checkbox"/>		
<input type="checkbox"/>	\$0	\$0
<input type="checkbox"/>	\$0	\$0
<input type="checkbox"/>	\$0	\$0

OK CANCEL

Previously Incurred Investment Activity dialog box (Level 2 Plan)

3. Under **Previously Accrued Investment Income**, select the **Override** option and then edit the values as required.

**Note:** The estimate of investment income before the valuation date applies only to non-registered accounts.

4. To include registered proceeds that have been received by the clients before the **Plan Analysis Date** and are subject to tax, select the **Include income above in cash flow** option, and then enter an amount in the **Registered Proceeds** field.

## Chapter 4: Entering cash flow information

This chapter explains how to enter your clients' cash flow. You can enter incomes, government pensions, defined benefit pensions, regular expenses, and surplus expenses.

### In this chapter:

---

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## Cash flow calculations

These calculations apply to all plan levels, unless specific levels are mentioned.

NaviPlan makes the following annual calculations:

### Clients' cash inflows for the year

- Annual asset returns, based on how you define the assumptions for each asset, such as:
  - The asset class weightings and the return rates assigned to each asset class.
  - The return rates entered for each specific asset.
  - The valuation date for each account or holding.
- All itemized income from other sources (entered on the **Enter Financial Data – Cash Flow** page), such as salaries.
- Special income, such as the tax-free proceeds of new loans, redemptions from assets used to fund goals, as well as the proceeds from life, disability, and long-term care insurance policies.

Special incomes are not entered on the **Enter Financial Data – Cash Flow** page, but instead are calculated by NaviPlan based on information entered in other parts of the plan. For example, when a loan is entered on the **Enter Financial Data – Net Worth – Assets/Liabilities** page, NaviPlan automatically counts the loan principal as special income.

### Clients' scheduled cash outflows for the year

- NaviPlan calculates the income tax due on asset returns based on the income tax method selected.
  - When the **Detailed Tax** method is selected in the plan, NaviPlan applies bracketed federal taxes that consider an extensive number of deductions and credits.
  - When the **Average Tax** method is selected in the plan, NaviPlan uses the marginal tax rate (entered under **Tax Rates** on the **Plan Management – Assumptions – General** page). Special tax consideration is given for certain types of income (for example, dividends and capital gains).



- The default marginal and average tax rates displayed in the **Plan Management – Assumptions – General** page for each income range are average combined federal and provincial rates.
  - To use a particular province's tax rates, enter those rates on the **Plan Management – Assumptions – General** page. You can click **Tax Rate Schedule** to obtain the rates for each province.
- NaviPlan deducts amounts such as registered contributions or tax-deductible interest from the clients' taxable income from other sources, and then, applies the average tax rate (or bracketed federal tax rate if using the **Detailed Tax** method) to calculate income tax liability generated by sources other than taxable portfolios.

**Note:** Deductible amounts are calculated by NaviPlan based on the information entered in the plan. You do not have to specifically enter them anywhere.

- NaviPlan adds all the clients' expenses for the year including the following:
  - Expenses entered on the **Enter Financial Data – Cash Flow** page.
  - Expenses associated with goals (entered in the **Set Goals** section).
  - Loan payments (calculated by NaviPlan based on information entered in the **Enter Financial Data – Net Worth** category).
  - Investment expenses entered under **Annual Account Fees** on the **Plan Management – Assumptions – General** page.
  - Savings strategies entered on the **Account Details** dialog box – **Savings Strategy** tab.
  - Life, disability, long-term care, and critical illness insurance premiums (calculated by NaviPlan based on information entered in the **Enter Financial Data – Insurance Coverage** category).

**Note:** Expenses associated with goals are funded by dedicated assets, while all other expenses are paid from cash flow. If non-registered accounts or TFSAs owned by the client or co-client that are linked to an education or major purchase goal provide more funds than are required by that goal, the excess is used to fund the retirement goal. Non-registered accounts owned by dependants are excluded from funding the retirement goal.

- **Level 2** NaviPlan adds the clients' other scheduled cash outflows (from strategies entered in the **Enter Financial Data – Strategies** category), and reinvestment of income from assets.

## Clients' current year cash flow surplus or deficit

Calculates the clients' current year net cash flow (cash inflows minus cash outflows). If the cash flow is positive, surplus cash exists. If the cash flow is negative, a cash flow deficit exists.

## Manages cash flow surpluses and deficits

1. Allocates any cash surplus according to the clients' surplus cash strategies in the following order: RRSP Maximizer strategies (if the **Constrained by cash flow** option is used), and then surplus savings strategies. Each strategy is fully funded before any surplus cash is allocated to the next one in order.

You can view the clients' cash flow surpluses, deficits, and asset redemptions in the **Itemized Cash Flow Projection** report (**Quick Actions – Reports – Cash Flow**) and the **Accumulation and Redemption of Retirement Capital** graph (**Quick Actions – Reports – Capital Accumulation and Redemption – Retirement**).

2. Keeps track of any pre-retirement cash flow deficits.
3. During retirement, redeems assets at the end of the year to cover the retirement goal. By default, funds are used in the following order:
  - a. Any reinvestment of income from non-registered assets that would be made at year end.
  - b. Non-registered assets in the following order:
    - i. Ratio of adjusted cost basis to market value as of the end of the year, from the highest to lowest.
    - ii. Return rate, from lowest to highest.
    - iii. Market value, from smallest to largest.
    - iv. Asset category in the order of cash accounts, mutual funds, and investment portfolios.
    - v. Alphabetically, based on the **Description** field.

**Note:** If needed, you can revise the liquidation order of assets used for the retirement goal in a Level 2 Plan by clicking the **Liquidation Strategies** button on the **Set Goals – Retirement** page.

## Entering regular or lump-sum incomes

Use the following procedure to enter the clients' annual pre-retirement income. If the clients are already retired, their income should be entered on the **Set Goals – Retirement** page.

To enter a regular or lump-sum pre-retirement income, follow these steps:

1. Go to the **Enter Financial Data – Cash Flow** page. When you create a new plan, NaviPlan creates default entries for salaries and bonuses that appear under **Incomes**. Any incomes that are entered on the **Retirement** page will also appear under **Incomes**.

The clients' sources of income—such as employment income, bonuses, and inheritances—can be entered here. Do not include investment income from assets as NaviPlan calculates this income based on the data entered on the **Enter Financial Data – Net Worth – Accounts** page.

The screenshot shows a table titled "Incomes" with a blue "ADD INCOME" button in the top right corner. The table has four columns: "Description", "Member", "Amount", and "Actions". There are two rows of data:

Description	Member	Amount	Actions
Salary	Susan	\$0 /yr	[Edit] [Delete]
Bonus	Susan	\$0 /yr	[Edit] [Delete]

Enter Financial Data section – Cash Flow category – Cash Flow page

3. If applicable, select the family member receiving the income, and then enter the annual income amount. Incomes that continue into retirement years appear on the **Set Goals – Retirement** page.
4. To enter additional details for or to change the frequency of an existing income, click for that income.

The screenshot shows the "Income Details" dialog box. It contains the following fields and options:

- Description**: Salary
- Member**: Robert
- Income Type**: Salary
- Annual Amount**: \$0
- Frequency**: Monthly
- Amount per Period**: \$0
- Start Date**: Jan 1 2013
- End Date**: Ret. (Owner)
- Infl +/- Add'l**: [checked] + 0.00%
- Other Options**:
  - Linked Defined Benefit Pension: -- No Defined Benefit --
  - ☐ Exclude from group disability insurance
  - ☐ Exclude from savings strategies
  - ☐ Eligible dividends
  - ☐ Business income
  - ☐ Elect to pay EI premium

At the bottom, there are buttons for "ADD INCOME", "Previous Entry", "Next Entry", "OK", and "CANCEL".

Income Details dialog box (Level 2 Plan)

- **Level 2** If you are entering a salary, bonus, or self-employed income type that is linked to a defined benefit pension or is excluded from either group disability insurance, or savings strategies, you can make the appropriate selections under **Other Options**. If you are entering dividend income, the **Eligible Dividends** option is available. If you are entering self-employment income, the **Elect to pay EI premium** option is available.
- From the **Income Details** dialog box, you can add another income by clicking **Add Income**, and then selecting **New Income** or **Copy of Current**; if you select **Copy of Current**, NaviPlan creates a copy of the existing income. You can view or edit other incomes by clicking **Previous Entry** or **Next Entry**.

## Establishing CPP/QPP and OAS details

CPP/QPP and OAS benefits can be calculated or removed from plan calculations. To exclude CPP/QPP and/or OAS benefits from the plan, clear the respective options on the **Enter Financial Data – Cash Flow** page.

CPP/QPP & OAS Details

?

✕

Monthly CPP/QPP Benefits

	Benefit Amount (Eligible % or Est. in today's \$)	Benefit Start (Age or Retirement)	Monthly Benefit (in future \$)	Starting In
<input checked="" type="checkbox"/> Stuart	100%	Ret. (Client)	\$1,301	2030
<input checked="" type="checkbox"/> Kate	100%	Ret. (Co-client)	\$1,062	2030

☒ Share CPP/QPP
 ☒ Include CPP/QPP Survivor Benefits
 ☒ Include CPP/QPP Retirement Benefits
 ☐ Include CPP/QPP Disability Benefits

Monthly OAS Benefits

	Benefit Amount (Eligible % or Est. in today's \$)	Maximize Benefit	Benefit Start Age	Benefit Start Month	Deferred Benefit Bonus	Monthly Benefit (in future \$)
<input checked="" type="checkbox"/> Stuart	100%	<input type="checkbox"/>	67	Jan 2017	18.0%	\$1,046
<input checked="" type="checkbox"/> Kate	100%	<input type="checkbox"/>	67	Jan 2017	4.8%	\$1,110

Benefits Indexed At

Infl. +/- Add'l = Total

☒ + 0.00% = 3.00%

Voluntary Contributions to CPP/QPP

Individuals aged 65 and older, who have salary, bonus, or self-employment income types, can make voluntary contributions to CPP/QPP.

☐ Stuart
 ☐ Kate

OK

CANCEL

CPP/QPP & OAS Details dialog box (Level 2 Plan)

## Entering CPP/QPP benefit details

1. Under **Monthly CPP/QPP Benefits**, select each client who is eligible to receive CPP/QPP benefits.
2. Enter the percentage or dollar amount of benefits each client is eligible to receive in the **Benefit Amount (Eligible % or Est. in today's \$)** field. NaviPlan projects the future benefit and displays it in the **Monthly Benefit (in future \$)** field, along with the starting year.
3. In the **Benefit Start (Age or Retirement)** field, enter the age when benefits begin or enter the word **Retirement** to use the default retirement age.
4. If the clients are eligible to share their CPP/QPP benefits, select the **Share CPP/QPP** option.
5. **Level 2** To include survivor, retirement, or disability benefits in the CPP/QPP calculations, select the appropriate options.
6. **Level 2** To index the CPP/QPP and OAS benefits to inflation, under **Benefits Indexed At**, select the **Infl** option, and then if applicable, enter a rate to add to the historical inflation rate. This number can be a negative value.
7. **Level 2** If the client(s) is going to make voluntary contributions to CPP/QPP, select the applicable option(s). The client's incomes will incur that year's CPP contributions.
8. Click **OK**. NaviPlan estimates the monthly benefits the client and co-client will receive.

## Entering OAS benefit details

1. Go to the **Enter Financial Data – Cash Flow** page.
2. Under **CPP/QPP & OAS**, click the **CPP/QPP & OAS Details** link.
3. Under **Monthly OAS Benefits**, select each client who is eligible to receive OAS benefits. Then, for each client do one of the following:
  - Enter a custom OAS benefit schedule by providing a **Benefit Start Age** and **Benefit Start Month**.  
OR
  - Calculate the highest possible OAS **Deferred Benefit Bonus** based on your client's situation by selecting the **Maximize Benefit** option to defer the age at which the client begins receiving OAS benefits. NaviPlan will calculate the maximal benefit.
4. Click **OK**.

## Entering pension income

NaviPlan estimates pension income using one of two pension calculations: **Estimate Benefit** and **Benefit Formula**. Use the **Estimate Benefit** pension method if the pension details are unavailable. Use the **Benefit Formula** pension method if the pension details are available.

When you create a new plan, NaviPlan creates a default estimate benefit pension for each client. Any pensions that were entered on the **Set Goals – Retirement** page appear under **Incomes** on the **Cash Flow** page.

### Entering an estimated benefit pension

To enter an **Estimate Benefit** pension income, follow these steps:

1. Go to the **Enter Financial Data – Cash Flow** page.

The screenshot shows a table titled "Defined Benefit Pensions" with a blue "ADD BENEFIT PENSION" button in the top right corner. The table has five columns: Description, Member, Type, Amount (\$ or %), and Actions. There are two rows of data:

Description	Member	Type	Amount (\$ or %)	Actions
Defined Benefit Pei	Robert	Estimate Benefit	\$0 /yr	[Edit] [Delete]
Defined Benefit Pei	Sarah	Estimate Benefit	\$0 /yr	[Edit] [Delete]

Enter Financial Data section – Cash Flow category – Cash Flow page (Level 2 Plan, showing Defined Benefit Pensions)



2. Under **Defined Benefit Pensions**, enter each client's annual pension amount in the **Amount (\$ or %)** fields.
3. To add a new pension, click the **Add Benefit Pension** button, and then select **Add Estimate Benefit**.

The screenshot shows the "Defined Benefit Pension Details" dialog box with the "Details" tab selected. It contains the following sections:

- Pension Details (Estimate Benefit)**: Includes fields for Description, Member, Start Age, Start Date, % Payable to Survivor, % of Final Salary, Est. Benefit Amount, Commuted Value, Inflation, and Maximum Indexing %.
- Benefit Payout Options**: Includes Method of Payout, Benefits Vested, and Earliest Retirement Age.
- Transfer Payout To**: Includes Locked-in Registered Asset, Registered Asset, and Portion.

At the bottom, there are buttons for "ADD BENEFIT", "Previous Entry", "Next Entry", "OK", and "CANCEL".

Defined Benefit Pension Details dialog box – Details tab (Level 2 Plan, Estimate Benefit method)

4. In the **Description** field, enter a unique name for the pension.
5. From the **Member** menu, select the pension owner.
6. Enter either the **Benefits Start Age** or the **Benefits Start Date**.
7. Enter the percentage of pension benefits to be paid to the surviving spouse when the pension owner becomes deceased. NaviPlan does not calculate any discounts if this election is chosen.
8. If the pension is based on an income, under **Linked Incomes**, select the option(s) for the appropriate income(s). These options only appear if incomes are entered in the plan.
9. Enter either a percentage of the pension owner's final salary in the **% of Final Salary** field, or the estimated pension amount (in today's dollars) in the **Est. Benefit Amount** field.
10. **Level 2** Click the **Benefit Payout Options** link. Additional fields appear.
11. **Level 2** From the **Method of Payout** menu, select **Life Income** or **Lump Sum**.
  - If you selected **Lump Sum**, from the **Transfer Payout to Locked in Registered Asset** and **Registered Asset** menus, select an existing asset or create a new asset, and then enter the percentage amount to transfer to each asset type. The default name for each new asset is **Transfer From <name of pension>**. The newly created assets can be further defined by going to the **Net Worth** category – **Accounts** page, and then clicking  for the newly created asset.
  - If you selected **Lump Sum**, from the **Transfer Payout to Locked in Registered Asset** and **Registered Asset** menus, select an existing asset or create a new asset, and then enter the percentage amount to transfer to each asset type. The default name for each new asset is **Transfer From <name of pension>**. The newly created assets can be further defined by going to the **Net Worth** category – **Accounts** page, and then clicking  for the newly created asset.
12. **Level 2** If the plan includes survivor income or disability income analysis and you want the insurance analyses to assume that pension benefits will be paid to the pension owner or survivor if the pension owner becomes disabled or dies, select the **Benefits Vested (Survivor/Disability Analysis)** option.
  - Survivor benefits are only paid out if a number larger than zero is entered in the **% Payable to Survivor** field, and the pension owner reaches the age entered in the **Earliest Retirement Age** field before death.
  - Survivor benefits are only paid out if a number larger than zero is entered in the **% Payable to Survivor** field, and the pension owner reaches the age entered in the **Earliest Retirement Age** field before death.
13. **Level 2** If the **Benefits Vested (Survivor/Disability Analysis)** option is selected, the **Earliest Retirement Age (Survivor Analysis)** field is accessible. Enter the age the pension owner must attain in order for survivor benefits to be payable if the pension owner dies.
14. **Level 2** Enter the remaining details of the pension.
15. **Level 2** Go to the **Future Benefits** tab.
16. **Level 2** To override the displayed items, select **Modify the Calculated Values**, and then enter the benefits you want to use.



Instead of entering an amount for each year on the tab, you can use the **Fill Values** feature to fill in the amounts automatically. To use this feature, follow these steps:

1. Click the **Fill Values** link.
2. From the **Column to Fill** menu select the column of values you want to fill.
3. Enter the criteria you want NaviPlan to use to calculate the amounts.
4. Click **Fill**.

## Entering a benefit formula pension

To enter a **Benefit Formula** pension income, follow these steps:

1. Go to the **Enter Financial Data – Cash Flow** page.

Description	Member	Type	Amount (\$ or %)	Actions
Defined Benefit Pen	Robert	Estimate Benefit	\$0 /yr	[Edit] [Delete]
Defined Benefit Pen	Sarah	Estimate Benefit	\$0 /yr	[Edit] [Delete]

Enter Financial Data section – Cash Flow category – Cash Flow page (Level 2 Plan, Defined Benefit Pensions)

2. To add a new pension, click **Add Benefit Pension** under **Defined Benefit Pensions**, and then select **Add Benefit Formula**.

**Defined Benefit Pension Details** \* Required ? ✕

Estimate or calculate the client's defined benefit pension.  
If the client is already retired and the pension amount is known, enter the defined benefit income under *Incomes* on the *Cash Flow* page.

Details Future Benefits

**Pension Details (Estimate Benefit)**

Description	Member	Start Age	Start Date	% Payable to Survivor
Defined Benefit Pension	Robert	92	Ret. (Client)	0%

**% of Final Salary**  
☐ 70%

**Est. Benefit Amount** (in today's \$)  **Commuted Value**

**Infl. +/- Add'l = Total**  
☒ + 1.75% = 4.75%

**Maximum Indexing %**

**Benefit Payout Options**

**Method of Payout**  **Benefits Vested** (Survivor/Disability Analysis) ☐ **Earliest Retirement Age** (Survivor Analysis)


**Transfer Payout To**

Locked-in Registered Asset	Account Details	Portion	Registered Asset	Account Details	Portion
N/A		0%	N/A		0%

**Linked Incomes**  
☐ Salary

ADD BENEFIT ◀ Previous Entry Next Entry ▶ OK CANCEL

Defined Benefit Pension Details dialog box – Details tab (Level 2 Plan, Benefit Formula method)

3. In the **Description** field, enter a unique name for the pension.
4. From the **Member** menu, select the pension owner.
5. Enter either the **Benefits Start Age** or the **Benefits Start Date**.
6. Enter the percentage of pension benefits to be paid to the surviving spouse when the pension owner becomes deceased. The **Benefit Reduction for Survivor Coverage** field becomes accessible. Enter the percentage in this field.
7. If the pension is based on an income, under **Linked Incomes**, select the option(s) for the appropriate income(s). These options only appear if incomes are entered in the plan.
8. Enter information from the available pension documents.
  - Level 2** If a pension is linked to a salary, and if, under **Benefit Payout Options**, the **Method of Payout** is set to **Life Income**, the benefits that will be paid in the first year appear under **Estimated Annual Benefit when Benefits Begin**.
9. **Level 2** Click the **Benefit Payout Options** link. Additional fields appear.
10. **Level 2** From the **Method of Payout** menu, select **Life Income** or **Lump Sum**.
  - If you selected **Lump Sum**, from the **Transfer Payout to Locked in Registered Asset** and **Registered Asset** menus, select an existing asset or create a new asset, and then enter the percentage amount to transfer to each asset type. The default name for each new asset is **Transfer From <pension name>**. The newly created assets can be further defined by going to the **Net Worth** category – **Accounts** page, and then clicking  for the newly created asset.
11. **Level 2** If the plan includes survivor income or disability income analysis, and you want the insurance analyses to assume that pension benefits will be paid to the pension owner or survivor if the pension owner becomes disabled or dies, select the **Benefits Vested (Survivor/Disability Analysis)** option.
  - Survivor benefits are only paid out if a number larger than zero is entered in the **% Payable to Survivor** field, and the pension owner reaches the age entered in the **Earliest Retirement Age (Survivor Analysis)** field before death.
12. **Level 2** If the **Benefits Vested (Survivor/Disability Analysis)** option is selected, the **Earliest Retirement Age (Survivor Analysis)** field is accessible. Enter the age the pension owner must attain in order for survivor benefits to be payable if the pension owner dies.
13. **Level 2** Use the fields under **Early Retirement** to calculate how early retirement can affect the pension benefit.
14. **Level 2** Go to the **Future Benefits** tab. The future pension payouts and pension adjustments appear.
15. **Level 2** To override the displayed items, select **Modify the Calculated Values**, and then enter the benefits you want to use.

Instead of entering an amount for each year on the tab, you can use the **Fill Values** feature to fill in the amounts automatically. To use this feature, follow these steps:

1. Click the **Fill Values** link.
2. From the ***Column to Fill*** menu select the column of values you want to fill.
3. Enter the criteria you want NaviPlan to use to calculate the amounts.
4. Click **Fill**.

## Entering expenses

Use the following procedure to enter the clients' lifestyle and business expenses. Do not use this procedure to enter loan or mortgage payments, insurance premiums, property taxes, or savings contributions. Expenses that only apply to retirement should be entered on the **Set Goals – Retirement** page.

To enter an expense, follow these steps:

1. Go to the **Enter Financial Data – Cash Flow** page. When you create a new plan, NaviPlan creates default entries for housing, food, transportation, entertainment, personal, and other expenses. Any expenses that were entered on the **Set Goals – Retirement** page also appear.

Under **Other Expenses**, NaviPlan lists expenses that have already been entered into the plan.

Expenses			ADD EXPENSE ▾
Description *	Amount	Actions	
Housing (e.g. utilities, repairs)	\$0 /mo		
Food	\$0 /mo		
Transportation (e.g. gas, insurance)	\$0 /mo		
Entertainment (e.g. restaurants, movies)	\$0 /mo		
Personal (e.g. clothing, hobbies)	\$0 /mo		
Other (e.g. child care, travel)	\$0 /mo		

Enter Financial Data section – Cash Flow category – Cash Flow page (Level 2 Plan)

2. To add a new expense, click **Add Expense**, and then select an expense type.
3. To enter additional details for an existing expense, on the **Cash Flow** page, click for that expense.

Expense Details								* Required	?	✕
Description *	Member	Type								
Housing (e.g. utilities, repa	Joint ▾	Lifestyle ▾								
Frequency	Every x Years	Amount	Start Date	End Date	Infl +/- Add'l					
Monthly ▾		\$2,052	Jan 1 2014	Death (2nd)	<input checked="" type="checkbox"/> + 0.00%					
% Deductible	<input checked="" type="checkbox"/> Transfer to Survivor <input checked="" type="checkbox"/> Fixed Expense <input type="checkbox"/> Cover any pre-retirement deficits created by this expense									
ADD EXPENSE ▾		◀ Previous Entry		Next Entry ▶		OK		CANCEL		

Expense Details dialog box

- If the expense is a semi-regular expense (such as a car purchase occurring every few years), select **Every X Years** from the **Frequency** menu then enter the term as a number of years into the **Every X Years** field.
- If you are entering an expense owned by one client and you expect the expense to continue for the survivor after the client dies, select the **Transfer to Survivor** option.
- If entering a fixed expense, select the **Fixed Expense** option. Fixed expenses are included in the calculation of emergency fund goals and in determining scenario goal coverage. If you clear the option, the expense is considered to be discretionary and is not included in the calculation. **Defining an emergency fund goal** on page 108 for more information.

**Note:** Fixed expenses are expenses that cannot be readily changed or eliminated by the clients, such as utility bills and rent payments.

- **D. Tax** If applicable, select the **Cover any pre-retirement deficits created by this expense** option to have NaviPlan cover deficits by automatic redemptions from clients' accounts. You do not have to manually enter a redemption to cover the deficit.
  - To control which accounts are used for deficit coverage and their order, select **View/Modify Deficit Coverage Order** (**Enter Financial Data – Strategies – Deficit Coverage** page).

Expenses that flow into retirement years appear on the **Set Goals – Retirement** page. These retirement expenses also appear on the **Cash Flow** page under **Expenses**.

- From the **Expense Details** dialog box, you can add another expense by clicking **Add Expense**, and then selecting **New Expense** or **Copy of Current**. If you select **Copy of Current**, NaviPlan creates a copy of the existing expense. You can view or edit other expenses by clicking **Previous Entry** or **Next Entry**.

## Entering surplus expenses

While the clients' plan may be projected to have an end-of-year cash surplus, this surplus often does not materialize because the clients have underestimated their regular expenses or incurred unexpected expenses, such as car repairs, that use up this projected cash surplus.

If you think the plan's projected surplus is unrealistic, NaviPlan allows you to use up the projected cash surplus by entering a surplus expense strategy. The expense appears as a line item in reports. Any cash flow surplus not allocated to a surplus savings or surplus expense strategy is eliminated automatically at the end of the year.

To enter surplus expenses, follow these steps:

1. Go to the **Enter Financial Data – Cash Flow** page. When you create a new plan, NaviPlan automatically populates a default entry under **Surplus Expenses**.

Surplus Expenses					ADD SURPLUS EXPENSE
Description *	% of Surplus	Start Year	End Year	Actions	
Surplus Expense	0.00%	2013	Death (2)		

Enter Financial Data section – Cash Flow category – Cash Flow page (Level 2 Plan)

2. To add a surplus expense, click **Add Surplus Expense**.
3. For each expense, enter a **Description**, the **% of Surplus** designated to the expense, and the **Start** and **End Years**.
  - By default, surplus expense strategies end in the year before death (Death -1), since there may be surpluses in that year due to estate settlement.
  - **Level 2** Surplus expenses entered here also appear on the **Enter Financial Data – Strategies – Surplus** page. See **Entering surplus strategies** on page 85 for more information.

## Generating the Cash Flow report

The **Cash Flow** report provides a summary of all the incomes and expenses entered in the plan.

To generate the **Cash Flow** report, follow these steps:

1. Go to the **Enter Financial Data – Cash Flow** page.
2. Click the **Cash Flow Report** button.

You can use the options at the top right of the report as follows:

- To generate a printer-friendly report, click the **PDF** or the **Word** button. NaviPlan generates and opens the report using the selected format.
- To update the open report after changes are made to the plan data, click **Refresh**.
- To see two copies of the report side by side, click **Duplicate**.
- To access the **Reports** menu, click **Reports**.

## Chapter 5: Entering strategies (Level 2)

Strategies can be used to accumulate assets or to pay down debt either by deducting from regular income or from surplus cash.

On the **Savings** page, you can save a specific amount on a regular basis or as a lump-sum.

On the **Debt Modification** page, you can enter additional principal payments or, if your clients have interest-only or last-period-payment loans, enter increases to the principal of a loan. You can also change the order in which cash surpluses are used.

On the **Redemptions** page, you can enter regular and lump-sum redemption strategies.

**D. Tax** On the **Deficit Coverage** page, you can specify the order in which account types are redeemed when covering pre-retirement deficits or specify the order in which individual accounts are redeemed.

On the **Surplus** page, you can specify additional savings and expenses that will apply every time the clients have sufficient surplus cash flow.

### In this chapter:

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Entering redemptions .....	83
Setting the deficit coverage order (Detailed Tax method) .....	84
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Assumptions when entering multiple strategies of different types .....	85



## Entering a regular savings strategy

With all savings strategies, you must save to an existing account (you cannot save to a lifestyle asset). If you haven't entered an appropriate account, go to the **Enter Financial Data – Net Worth – Accounts** page to do so. For more information, see **Creating accounts** on page 34.

To enter a regular savings strategy, follow these steps:

1. Go to the **Enter Financial Data – Strategies – Savings** page. All existing savings strategies implemented in the plan appear.

The screenshot shows the 'Savings' page with tabs for 'Savings', 'Debt Modification', 'Redemptions', and 'Surplus'. Below the tabs is a description: 'Model savings strategies for registered and non-registered accounts. Multiple savings strategies can be entered to reflect changes to savings amounts over time.'

**Non-Registered** section:

- Choose Account ... dropdown
- ADD SAVINGS STRATEGY button
- Table with columns: Direct Savings To, Amount (\$ or % of Salary), Frequency, Start Date, End Date, Infl +/- Add'l, and Actions.
- Row 1: New account (Joint/Non-Reg.), 0.00%, Monthly, Jan 1 2013, Ret. (1st), Inflation icon, +, 0.00%, X icon.

**Registered** section:

- New account (Robert/RRSP) dropdown
- ADD SAVINGS STRATEGY button
- Table with columns: Direct Savings To, Owner, Employer, Amount (\$ or % of Salary), Frequency, Start Date, End Date, Infl +/- Add'l, Constrained by Cash Flow, and Actions.
- Row 1: New account (Robert/RRSP), 0.00%, Monthly, Jan 1 2013, Ret. (Owner), Inflation icon, +, 0.00%, Constrained by Cash Flow checkbox, X icon, and a help icon.
- Footnote: 1 Consider using a maximizer savings strategy to reduce any excess RRSP contributions and eliminate any unused deduction room. Refer to [Help](#).

At the bottom, there is a link: 'To view or edit how surplus funds are directed, click **Surplus Cash Usage**.' and a button labeled 'Surplus Cash Usage...'.

Enter Financial Data section – Strategies category – Savings page (Level 2 Plan, Detailed Tax method)


2. Under **Non-Registered** or **Registered**, from the **Choose Account** menu, select the account to which you want to add a savings strategy, and then click **Add Savings Strategy**.
3. Enter all the details of the clients' savings plan, including the amount or percentage, frequency, and the time frame of savings.  
**Note:** If the savings amount was entered as a percentage of salary, the **Infl** option is inaccessible and the savings are indexed by the **Infl** percentage indicated for the salary.
4. If you have entered a savings amount that changes with inflation on an annual basis, select the **Infl** option. If the amount is to change with inflation plus or minus a certain percentage, select the **Infl** option, and then enter the rate above or below inflation. For example, if inflation is 3% and the savings should be increased by 5%, enter 2 in the **+/- Add'l** field.
5. To view or edit how surplus funds are directed, click **Surplus Cash Usage**. In the **Surplus Cash Usage** dialog box, select a method, and then use the **Move Up** and **Move Down** buttons to reorder the list.


## Modifying a loan

NaviPlan calculates the regular loan payments required for liabilities. You can modify the principal of an existing loan either by making additional principal payments (over and above the calculated regular loan payments) or, if the loan is either an interest-only or last-period-payment type, by adding to the principal. Debt modification strategies can be entered in the following locations:

- **Enter Financial Data – Strategies – Debt Modification** page
- **Liability Details** dialog box – **Debt Modification** tab for an individual liability

To modify the principal of a loan, follow these steps:

1. Go to the **Enter Financial Data – Strategies – Debt Modification** page.  
OR  
Go to the **Enter Financial Data – Net Worth – Assets/Liabilities** page, click  for a liability, and then go to the **Debt Modification** tab.

Debt Modification										Mortgage	ADD DEBT MODIFICATION
Direct Funds To	Outstanding Amount	Amount	Frequency	Start Date	End Date	Increase Principal	Infl +/-	Add'l	Actions		
Mortgage	\$0	\$0	Monthly	Jan 1 2013	Ret. (1st)	<input type="checkbox"/>	<input type="checkbox"/>	+	0.00%		

Enter Financial Data section – Strategies category – Debt Modification page (Level 2 Plan, Detailed Tax method)

2. From the **Choose Liability** menu, select the loan you want to modify.
3. Click **Add Debt Modification**.
4. Enter the **Amount** to add to the existing payment.
5. Enter the **Frequency**, time frame, and the **Inflation Rate** for the strategy.
  - If you select the **Increase Principal** option, the value in the **Amount** field will be used to increase the principal of the loan. This option can only be used with interest-only and last-period-payment loans.
  - If you do not select the **Increase Principal** option, the value in the **Amount** field will be used to reduce the principal of the loan.

## Entering redemptions

Redemptions previously entered for accounts appear on the **Redemptions** page. You can modify existing strategies and add new ones.

You can enter a redemption strategy for any account to redeem the account over a period of time or you can redeem an account in full as a lump sum.

To set up a redemption strategy, follow these steps:

1. Go to the **Enter Financial Data – Strategies – Redemptions** page.
2. Under **Redemptions**, from the **Choose Account** menu, select the account to which you want to add a redemption strategy, and then click **Add Redemption Strategy**.

Use this page to enter trust or redemption strategies for the current plan.

**Note:** For redemptions, for non-registered accounts, select an available goal funding allocation from the *Redeem From* list.

**Redemptions** New account ADD REDEMPTION STRATEGY

Account Description	Redeem From	Redeem All	Amount (\$ or %)	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
New account	New account (Unlinked)	<input type="checkbox"/>	0.00%	Monthly	Jul 10 2013	Ret. (1st)	<input type="checkbox"/> + 0.00%	

Enter Financial Data section – Strategies category – Redemptions page (Level 2 Plan, Detailed Tax method, showing redemptions)

3. In the **Amount (\$ or %)** field, enter either the percentage of the account to redeem or an amount to redeem periodically based on the selection from the **Frequency** menu.  
OR  
To redeem the entire account as a lump sum, select the **Redeem All** option.
4. Select the **Frequency** at which the redemptions will occur.
5. If applicable, for registered accounts select the **Waive Early Withdrawal Penalties** option to exclude penalties due if the asset is withdrawn early.
6. Enter the **Start Date** and **End Date** of the redemption.  
**Note:** The **End Date** field is not accessible if **Redeem All** or **Lump Sum** is selected.
7. To index the strategy for inflation, select the **Infl** option. To index by an amount greater or less than the default inflation rate, enter a different percentage in the **+/- Add'l** field.  
**Note:** The **Infl** option is not accessible when **Redeem All** or **Lump Sum** is selected or a percentage of the account is entered.

## Setting the deficit coverage order (Detailed Tax method)

You can select the order in which accounts and account types are redeemed to cover pre-retirement deficits.

To specify the pre-retirement deficit coverage order, follow these steps:

1. Go to the ***Enter Financial Data – Strategies – Deficit Coverage*** page.
2. Under ***Pre-Retirement Deficit Coverage Order***, select **Redeem from accounts to cover deficits in the pre-retirement period**.
3. To specify the order in which account types will be redeemed, select an option from the menu.

OR

To specify the order in which specific accounts will be redeemed, select **View/Modify the deficit coverage order**, and then adjust the liquidation order by moving accounts up or down in the list using the **Move Up** or **Move Down** buttons.

## Entering surplus strategies

In NaviPlan, a cash flow surplus occurs when total cash inflows exceed total cash outflows as of December 31 of a particular year. In years when a surplus exists, savings and expense strategies are available. By default, NaviPlan allocates to surplus savings strategies before allocating to surplus expense strategies.

**Note:** You can only create surplus savings strategies for non-registered assets.

### Assumptions when entering multiple strategies of the same type

When entering multiple strategies of the same type (for example, two surplus savings strategies), for each strategy NaviPlan saves or spends a percentage of the total surplus available on December 31.

- For example, if a client has a \$100,000 surplus and 50% is saved to Account A and 50% is saved to Account B, both accounts receive \$50,000, thus saving the full amount of the surplus.

### Assumptions when entering multiple strategies of different types

In contrast, when entering multiple strategies of different types (for example, one surplus savings strategy and one surplus expense strategy), NaviPlan first allocates a percentage of the total surplus toward the savings strategy, and then allocates a percentage of the remaining surplus toward the surplus expense.

- For example, a client has an \$80,000 surplus, a 50% savings strategy toward Account A, and a 50% surplus expense strategy. In this case, NaviPlan saves 50% (or \$40,000) of the total surplus to Account A, and then spends 50% of the remaining surplus (or \$20,000) on a surplus lifestyle expense.

After these strategies have been implemented, NaviPlan assumes that the final \$20,000 will be spent as part of the clients' yearly cash flow.

**Note:** NaviPlan automatically eliminates any remaining surplus or deficit as of December 31st in a given year. If the clients do not intend to spend their surplus, make sure to transfer any remaining cash flow surplus into an account.

To enter surplus strategies, follow these steps:

1. Go to the **Enter Financial Data – Strategies – Surplus** page.
2. If the clients will be saving some or all of the cash flow surplus, from the **Choose Account** menu under **Surplus Savings**, select the account or guaranteed withdrawal benefit annuity to which you want to save surplus funds, and then click **Add Surplus Savings Strategy**.

Savings Debt Modification Redemptions **Surplus** < >

Define surplus savings and expense strategies. By default, NaviPlan will allocate surplus funds to savings before using them to pay off surplus expenses. \* Required

---

**Surplus Savings** New account (Joint/Non-Reg.) ADD SURPLUS SAVINGS STRATEGY

Direct Surplus To	% of Surplus	Start Year	End Year	Actions
New account (Joint/Non-Reg.)	100.00%	2013	Ret. (1st)	✕

---

**Surplus Expenses** ADD SURPLUS EXPENSE

Description	Owner	% of Surplus	Start Year	End Year	Actions
Surplus Expense	Robert	0.00%	2013	Death (Client)	✕

To view or edit how surplus funds are directed, click **Surplus Cash Usage**.

Surplus Cash Usage...

Enter Financial Data section – Strategies category – Surplus page (Level 2 Plan, Detailed Tax method)

3. Enter the percentage of surplus income the clients will save to the selected account, and then enter the time frame for the strategy.
4. Repeat steps 2–3 until all surplus savings strategies are entered.  
**Note:** Ensure that the total percentage of surplus savings entered for the same year is not greater than 100%.
5. If the clients will be spending some or all of the remaining cash flow surplus, under **Surplus Expenses**, edit the data-entry line created by NaviPlan. If additional surplus expense strategies are needed, click **Add Surplus Expense**.
6. Enter a description of the expense, the percentage of surplus income your clients will spend, the time frame for the strategy, and then select the owner of the expense.
7. Repeat steps 5–6 until all surplus expense strategies are entered. If any surplus remains after all applicable surplus strategies have been implemented in a given year, NaviPlan will assume that the surplus has been spent and eliminate any remaining surplus from cash flow.
8. To view or edit how surplus funds are directed, click **Surplus Cash Usage**. In the **Surplus Cash Usage** dialog box, select a method, and then use the **Move Up** and **Move Down** buttons to reorder the list.

**Order of Surplus Cash Usage** ? ✕

---

**Description**

☒ Constrained RRSP Maximizer

☐ Surplus Saving

☐ Surplus Expense

↑ Move Up
↓ Move Down

OK
CANCEL

Surplus Cash Usage dialog box

---

## Chapter 6: Entering insurance coverage and tax details

In the **Insurance Coverage** category, you can enter your clients' planned and existing life, disability, long-term care, and critical illness insurance.

If using the Detailed Tax method, NaviPlan automatically calculates many tax credits and deductions. You can enter any applicable credits or deductions that are not automatically calculated by NaviPlan in the **Tax Details** category.

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---

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Entering long-term care and critical illness insurance policies .....	93
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## Entering life insurance policies

To enter your clients' existing life insurance policies, follow these steps:

1. Go to the **Enter Financial Data – Insurance Coverage** page.

Insurance Coverage << >>

Enter your clients' life, disability, and critical illness insurance policy information. \* Required

### Life Insurance ADD LIFE INSURANCE

Description	Insured	Policy Type	Benefit	Beneficiary	Premium	Actions
Life Insurance	Robert	Term 10 Life	\$0	Robert	\$0 /mo	

### Disability Insurance ADD DISABILITY INSURANCE

Description	Insured	Policy Type	Benefit	Premium	Actions
Group STD	Robert	Group STD	\$0 /mo	\$0 /mo	
Group LTD	Robert	Group LTD	\$0 /mo	\$0 /mo	

### Critical Illness Insurance ADD CRITICAL ILLNESS INSURANCE

Description	Insured	Policy Type	Benefit	Premium	Actions
CI Insurance	Robert	Cash to Insured Coverage	\$0	\$0 /mo	

### Long-term Care Insurance ADD LTC INSURANCE

Description	Insured	Benefit	Premium	Actions
LTC Insurance	Robert	\$0 /mo	\$0 /mo	

Insurance Coverage Report

Enter Financial Data section – Insurance Coverage category – Insurance Coverage page (Level 2 Plan)

2. To add a new life insurance policy, click **Add Life Insurance**, and then select a policy type.
3. Select the person insured by the policy.
4. To change the policy type, from the **Policy Type** menu, select another option.
5. Enter the **Death Benefit**, **Beneficiary**, and **Monthly Premium** for the listed insurance policies.
6. To enter additional details for an existing life insurance policy, click for that policy.

The fields in the **Life Insurance Details** dialog box vary depending on the selected **Policy Type** and the plan level.



Life Insurance Details

\* Required ? ✕

Details

Future Values

Description \*

Policy Type

Insured

Beneficiary

Policy Owner

Cost Basis

Life Insurance

Term 10 Life

Robert

Robert

Robert

\$0

Benefit Details

Death Benefit

Cash Surrender Value

Direct Residual Proceeds To

Account Details

CSV Payable with Death Benefit

Cease Coverage

\$0

\$0

Cash Flow

At Age

On Date

Never

Premiums

Payer

Amount

Frequency

At Age

On Date

Waived at Disability

Robert

\$0

Monthly

Never

ADD LIFE INSURANCE

Previous Entry

Next Entry

OK


CANCEL

Life Insurance Details dialog box – Details tab (Level 2 Plan)

**Note:** Clicking **Add Life Insurance** opens a menu where you can select **New Life Insurance** or **Copy of Current**. If you select **Copy of Current**, NaviPlan creates a copy of the existing life insurance policy. Use this when you have similar items to add to avoid re-entering data. You can view or edit other life insurance policies by clicking **Previous Entry** or **Next Entry**.

## Modifying future values and premiums of a life insurance policy (Level 2)

To view and define the premium schedule, the future value of any death benefits, and the prospective cash surrender value of an insurance policy on an annual basis, follow these steps:

1. Go to the **Enter Financial Data – Insurance Coverage** page.
2. Click  for the life insurance policy.
3. Go to the **Future Values** tab. On this tab, you can view the modal premiums, death benefits, and estimated cash surrender values for each year.

Life Insurance Details

Required

?

⌵

Details

Future Values

Future Benefits

☐ Modify the Calculated Values

Age	Year	Modal Premium	Death Benefit	Estimated CSV	Withdrawals	Liabilities	Accumulated Liability
43	2013	\$0	\$0	\$0	\$0	\$0	\$0
44	2014	\$0	\$0	\$0	\$0	\$0	\$0
45	2015	\$0	\$0	\$0	\$0	\$0	\$0
46	2016	\$0	\$0	\$0	\$0	\$0	\$0
47	2017	\$0	\$0	\$0	\$0	\$0	\$0
48	2018	\$0	\$0	\$0	\$0	\$0	\$0
49	2019	\$0	\$0	\$0	\$0	\$0	\$0
50	2020	\$0	\$0	\$0	\$0	\$0	\$0
51	2021	\$0	\$0	\$0	\$0	\$0	\$0
52	2022	\$0	\$0	\$0	\$0	\$0	\$0
53	2023	\$0	\$0	\$0	\$0	\$0	\$0
54	2024	\$0	\$0	\$0	\$0	\$0	\$0
55	2025	\$0	\$0	\$0	\$0	\$0	\$0

[2013-2025](#) | 
 [2026-2038](#) | 
 [2039-2051](#) | 
 [2052-2064](#) | 
 [2065-2077](#) | 
 [2078-2090](#) | 
 [2091-2103](#) | 
 [2104-2112](#)

Fill Values

Column to Fill	Start Year	End Year	Start Value	Base Rate	Increase Rate By	Period (years)
Modal Premium	2013	2112	\$0	0.00%	0.00%	1

CLEAR COLUMN VALUES

FILL

ADD LIFE INSURANCE

Previous Entry

Next Entry

OK

CANCEL

Life Insurance Details dialog box – Future Values tab (Level 2 Plan, Detailed Tax method)

4. Select **Modify the Calculated Values**, and then click **OK** to the message that appears.
5. To change future values for specific years, enter updated values in the fields for those years.


OR

To change future values for multiple years, use the expanded **Fill Values** section, where you can quickly assign future values to multiple years as follows:

- a. Select a column type that you want to modify from the **Column to Fill** menu.
- b. Enter the **Start Year** and **End Year** dates to set the range of years that will include modifications.
- c. In the **Start Value** field, enter an amount that corresponds with the **Start Year**.
- d. In the **Base Rate** field, enter the rate at which the selected column values will increase annually.
- e. If the base rate is expected to increase, in the **Increase Rate By** field, enter the rate at which to index the future value.
- f. In the **Period (years)** field, enter how often the future values change.
- g. Click **Fill**. The future values that you specified are modified automatically.

## Entering disability insurance policies

To enter your clients' existing disability insurance policies, follow these steps:

1. Go to the **Enter Financial Data – Insurance Coverage** page.
2. To add a disability insurance policy, click **Add Disability Insurance**, and then select a policy type.
3. Select the person insured by the policy.
4. To change the policy type, from the **Policy Type** menu, select another option.
5. If applicable, enter the monthly benefit amount and premium of the listed insurance policies.
6. To enter additional details for an existing disability insurance policy, click  for that policy.

Disability Insurance Details

\* Required

?

✕

Use this dialog box to enter details for existing disability insurance policies.

Description	Policy Type	Insured	Policy Owner	Effective Date	Company	Policy Number
Group STD	Group STD	Robert	Robert	Dec 31 2012		

### Benefit Details

Benefit Amount

% of Salary

Flat Dollar

Benefit Frequency

Taxable Benefit

Infl +/- Add'l

0.00%

\$0

Monthly

0.00%

Maximum Indexed Benefit

Calculated As

Dollar Amount

Waiting Period

Benefits Period

None

\$0

2 Weeks

3 Months

### Premiums

Cease Premiums

Payer	Amount	Frequency	At Age	On Date	Infl +/- Add'l
Robert	\$0	Monthly	92	Ret. (Owner)	0.00%

ADD DISABILITY INSURANCE

Previous Entry

Next Entry

OK


CANCEL

Disability Insurance Details dialog box (Level 2 Plan)

**Note:** Clicking **Add Disability Insurance** opens a menu where you can select **New Disability Insurance** or **Copy of Current**. If you select **Copy of Current**, NaviPlan creates a copy of the current policy. Use this when you have similar items to add to avoid re-entering data. You can view or edit other disability insurance policies by clicking **Previous Entry** or **Next Entry**.

## Entering long-term care and critical illness insurance policies

To enter your clients' existing long-term care and/or critical illness insurance policies, follow these steps:

1. Go to the **Enter Financial Data – Insurance Coverage** page.
2. To add a long-term care insurance policy, click **Add LTC Insurance**.
3. To add a critical illness insurance policy, click **Add Critical Illness Insurance**, and then select either **Medical Coverage** or **Cash To Insured**.
4. Select the person insured by the policies.
5. To change the policy type, from the **Policy Type** menu, select another option.
6. If applicable, enter the benefit amount and monthly premium of the listed insurance policies.
7. To enter additional details for an existing long-term care or critical illness insurance policy, click  for that policy.

Long-term Care Insurance Details

Description

LTC Insurance

Company

Policy Number

Insured

David

Effective Date

Jan 1 2013

Benefits Payable

Amount	Frequency	Benefit Before LTC Indexed	Benefit During LTC Indexed
\$0	Weekly	Infl +/- Add'l 2.00%	Infl +/- Add'l 2.00%

Applicable Period

Waiting Period (after starting LTC)	Benefit Period (after starting LTC)
90 Days	4 Years

Premiums

Payer	Amount	Frequency	Infl +/- Add'l	At Age	On Date
David	\$0	Monthly	0.00%	90	Death (Owner)

ADD LTC INSURANCE

Previous Entry

Next Entry

OK

CANCEL

Long-term Care Insurance Details dialog box (Level 2 Plan)

Critical Illness Insurance Details

\*Required ?

Details

Description

CI Insurance

Policy Type

Cash to Insured Coverage

Insured

Robert

Owner

Robert

Company

Policy Number

Effective Date

Dec 31 2012

Benefit Details

Amount

\$0

Benefit Taxable Percentage

100.00%

Premiums

Amount

\$0

Frequency

Monthly

Payer

Robert

Cease at Age

Cease on Date

Infl + Add'l

☒ + 0.00%

= Total

3.00%

Premium Refund Percentage

0.00%

ADD CRITICAL ILLNESS INSURANCE

Previous Entry

Next Entry

OK

CANCEL

Critical Illness Insurance Details dialog box (Level 2 Plan)

**Note:** Clicking **Add LTC Insurance** or **Add Critical Illness Insurance** opens a menu where you can select **New LTC Insurance**, **New Critical Illness Insurance** or **Copy of Current**. If you select **Copy of Current**, NaviPlan creates a copy of the current policy. Use this when you have similar items to add to avoid re-entering data. You can view or edit other critical illness or long-term care insurance policies by clicking **Previous Entry** or **Next Entry**.

## Generating the Insurance report

The **Insurance** report provides a summary of all the insurance coverage entered in the clients' plan and can be used to verify data-entry or quickly view all coverage.

To generate the **Insurance** report, follow these steps:

1. Go to the **Enter Financial Data – Insurance Coverage** page.
2. Click **Insurance Coverage Report**.

## Chapter 7: Entering accumulation goals

When you create a plan you must select the modules you want to use. The selected modules determine the types of goals you can enter in the plan. In each plan, you can only use the financial planning modules that are selected on the *Plan Management – Modules* page.

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## Retirement goal assumptions

In NaviPlan, retirement is treated as a goal rather than just a period of time. You can identify a specific need, allocate accounts to fund it, and then see the resulting shortfalls and savings.

NaviPlan makes recommendations to achieve the retirement goal without taking cash flow into consideration (for example, NaviPlan may recommend that the clients save \$1,000 per month even when the clients do not have that amount available in their cash flow).

## Retirement date assumptions

NaviPlan assumes that the retirement period begins, and ends on December 31 of the year in which the last client in the plan dies.

**Level 2** Retirement dates can be changed for specific goals such as survivor income and disability income.

## Retirement goal reporting

NaviPlan has detailed retirement reports for both the current and proposed plans. The current plan reports are based on the clients' current financial information, entered primarily in the Enter Financial Data and Set Goals sections, and show the clients their current progress towards their retirement goal.

All information in the plan, except for What-if scenarios, is reported as part of the current plan in additional reports, graphs, and client reports. In contrast, the recommended or proposed plan reports reflect both the current plan information and the **Recommended** scenario information.

## Defining retirement goals

To define your clients' retirement goals, follow these steps:

1. Go to the **Set Goals – Retirement** page.

Retirement
<<
>>

Use this page to define the retirement goal. This includes setting retirement objectives, expenses, and incomes. To view and modify the order in which accounts are used for the retirement goal, click **Liquidation Strategies**.
\* Required

### Objectives

	Robert		Sarah	
	Age	Date	Age	Date
Retire At	92	Jan 2066	65	May 2042
Life Expectancy	117	2091	90	2067

### Calculate Retirement Expenses

Enter the annual retirement expenses as a

☒ percentage of the current estimated after-tax income

\$0 X  =  \$0 /yr  \$0 /mo

☐ percentage of the current lifestyle expenses

\$1 X  =  \$0 /yr  \$0 /mo

☐ specific amount  /yr  /mo

**ADD TO RETIREMENT EXPENSES**

### Retirement Expenses

Click the **Add Retirement Expense** button to create a new row.

**ADD RETIREMENT EXPENSE**

### Retirement Incomes

If CPP/QPP, OAS, or defined benefit pensions are entered on the *Enter Financial Data* section - *Cash Flow* category - *Cash Flow* page, do not enter them in this section. Only enter additional retirement incomes in this section.

Click the **Add Retirement Income** button to create a new row.

**ADD RETIREMENT INCOME**

Asset Allocation... Goal Funding... Liquidation Strategies... Transfer Strategies...

### Retirement Accounts (\$0)

Description	Account Type	Owner	Market Value	Cost Base	% Linked	Linked Amount	Asset Class Weightings	ROR(%)	Savings
New account	RRSP	Robert	\$0	\$0	100%	\$0	Unclassified	0.00%	1

### Unassigned Accounts (\$0)

Description	Account Type	Owner	Market Value	Cost Base	% Unassigned	Unassigned Amount	Asset Class Weightings	ROR(%)	Savings
New account	Non-Registered	Joint	\$0	\$0	100%	\$0	Unclassified	0.00%	1

Set Goals section – Retirement category – Retirement page (Level 2 Plan)

2. Under **Objectives**, enter your clients' retirement ages or the years at which your clients want to retire, and then enter your clients' life expectancies.
3. To change the clients' investor profile for retirement:

**Level 1** Under **Profile**, the investor profile used by the plan is shown. Select the **Override** option, and then select the alternative investor profile you want to apply to the retirement goal.

**Level 2** If the **Asset Allocation** module is selected on the **Plan Management** section – **Modules** category – **Modules** page, click **Asset Allocation**. For more information, see **Overriding the proposed investor profile for a goal (Level 2 Plans)** on page 102.

**Note:** If you are using user-defined asset allocation, default asset classes and investment profiles must first be created for all future plans in **Settings**, or for the individual plan in the **Plan Management – Asset Allocation** category.

To model retirement expenses, follow these steps:

1. Under **Calculate Retirement Expenses**, do one of the following:

To calculate the retirement expense based on...	Do this...
Total annual after-tax salaries	Select the <b>percentage of the current estimated after-tax salary</b> option, and then enter the percentage of the current estimated after-tax salary the clients will want to receive during retirement.
Current annual lifestyle expenses	Select the <b>percentage of the current lifestyle expenses</b> option, and then enter the percentage of current lifestyle expenses you expect the clients to have during retirement.
A specific annual amount	Select the <b>specific amount</b> option, and then enter the amount the clients want to receive annually during retirement.

2. To add a calculated retirement expense to the plan, click **Add to Retirement Expenses**.
3. Under **Retirement Expenses**, enter details for the listed expenses. If necessary, click **Add Retirement Expense** to create an additional expense that will occur during retirement.

Expenses can be entered for the entire retirement period, or they can be entered in a staged format. The second option is best used when the clients' needs change during the retirement period. For example, a client may expect to need \$65,000 annually from age 65 to age 75, but then expect to reduce or increase spending from age 76 to 80; or the clients may expect to have one-time or time-limited additional expenses that are over and above the amounts specified on an annual basis.

In joint plans, NaviPlan makes the following assumptions for retirement expenses when the keyword **retirement** is entered in the **Start Age** field and the keyword **death** is entered in the **End Age** field.

If the retirement expense is...	The expense begins on...	The expense ends on...
Singly owned	The date at which the first client is set to retire	December 31 of the year the owner dies, unless the <b>Tfr to Survivor</b> option is selected
Jointly owned	The date at which the first client is set to retire	December 31 of the year of the last client's death

Retirement expenses previously entered on the **Enter Financial Data – Cash Flow** page that continue into retirement appear on the **Retirement** page. Changes made on either page automatically appear on the other page.

- To indicate the retirement expense is fixed (cannot be eliminated), select the **Fixed Exp.** option. If the option is not selected, NaviPlan assumes the expense is discretionary.
- If applicable, under **Retirement Incomes**, modify retirement incomes that have been entered on the **Enter Financial Data – Cash Flow** page.

OR

Click **Add Retirement Income** to enter additional income that will be earned during retirement.

**Note:** Incomes entered on the **Retirement** page also appear on the **Enter Financial Data – Cash Flow** page under **Incomes**.

## Defining liquidation order in retirement (Level 2 Plans)

NaviPlan automatically redeems accounts to cover the retirement goal, either using deficit coverage (automatic account redemption method), or a specific liquidation order.

- To change the manner in which accounts are redeemed during retirement, click **Liquidation Strategies** on the **Retirement** page.

The screenshot shows a dialog box titled "Liquidation Strategies...". It has three tabs: "Liquidation Order", "Redemptions", and "Bucketing". The "Liquidation Order" tab is selected. Inside this tab, there is a section titled "Liquidation Order" with the instruction "Choose the order in which assets are redeemed during retirement:". Below this is a dropdown menu showing "Non-Registered - TFSA - Registered" and a button labeled "VIEW/MODIFY LIQUIDATION ORDER...". At the bottom of the dialog box are "OK" and "CANCEL" buttons. A help icon (?) is visible in the top right corner of the dialog box.

Liquidation Strategies dialog box – Liquidation Order tab (Level 2 Plan)

- To redeem assets by account type only, select one of the existing liquidation options.  
OR  
To view and edit the order of specific accounts, select **View/Modify the liquidation order**. For each applicable account, select the account, and then click **Move Up** or **Move Down**.
- To specify redemptions of specific dollar values or percentages of certain accounts, go to the **Redemptions** tab, and then complete the following steps:
- Click the **Redemptions** link.

Liquidation Strategies dialog box – Redemptions tab (Level 2 Plan, Redemptions section)

6. Select an account, and then click **Add Redemption Strategy**.
7. To redeem the entire account, select the **Redeem All** option.
8. Enter the remaining details of the redemption strategy.

To model a bucketing strategy, go to the **Bucketing** tab and then complete the following steps:

Liquidation Strategies dialog box – Bucketing tab (Level 2 Plan)

1. Click **Estimate** to open the **Distribution Bucket Estimator** calculator.
2. Enter the number of years over which the "bucket" investment account will cover needs, and click **Ok**.
3. The amount determined by the calculator will appear in the **Target Balance** field.
4. Enter the remaining details of the bucketing strategy.

Liquidation Strategies dialog box – Redemptions tab (Level 2 Plan, Substantially Equal Periodic Payments (SEPP) section)

## Overriding the proposed investor profile for a goal (Level 2 Plans)

You can review the proposed investor profile for the plan on the **Plan Management – Asset Allocation – Profile** page to see if it is appropriate for the goal. If not, to override the proposed portfolio, follow these steps:

1. Go to the **Set Goals – Retirement, Education, or Major Purchase** page.
2. Click **Asset Allocation**.

**Note:** This button looks different for the retirement goal than for the other goals.

**Asset Allocation Details**

The *Current Asset Mix* shown below reflects the weighted asset mix of all accounts funding this goal in the current plan. The *Suggested Asset Mix* reflects the time horizon and questionnaire for this specific goal. It is used for the accounts funding this goal in your proposed strategy.

[MODIFY QUESTIONNAIRE...](#)

**Investor Profile**

Period	Override	Investment Profile
<input checked="" type="radio"/> Pre-Retirement	<input type="checkbox"/>	Moderate Aggressive
<input type="radio"/> Retirement	<input type="checkbox"/>	Moderate Aggressive

Select the asset mix you would like to review.

- ☒ All Retirement Accounts
- ☐ Qualified Retirement Accounts
- ☐ Non-Qualified Retirement Accounts
- ☐ Non-Qualified Annuity Retirement Accounts

	Current Asset Mix	Suggested Asset Mix
Large Cap Growth Equity	0.00%	13.00%
Large Cap Value Equity	0.00%	16.00%
Mid Cap Equity	0.00%	13.00%
Small Cap Equity	0.00%	9.00%
US REITs	0.00%	5.00%
International Equity	0.00%	18.00%
Emerging Markets Equity	0.00%	6.00%
Long Term Bonds	0.00%	3.00%
Intermediate Term Bonds	0.00%	9.00%
Short Term Bonds	0.00%	4.00%
International Bonds	0.00%	4.00%
Unclassified	100.00%	0.00%

\* A hold has been placed on an account

All Retirement Accounts		
Expected rate of return	0.00%	8.77%
Expected standard deviation	0.00%	15.33%

**OK** **CANCEL**

Asset Allocation Details dialog box (Level 2 Plan, retirement goal)

3. If you are using predefined asset allocation, you can override the asset allocation questionnaire your clients answered, click **Modify Questionnaire**.
  - Review the questionnaire and consider whether the responses are true for the goal. If a different response to any of the questions would better reflect the goal, select the option next to the question, and then change the response. Responses you enter on this page only apply to the goal and not to the rest of the plan.

4. For the **Retirement** goal, under **Investor Profile**, select the period for which you want to override the profile.
5. To override the selected **Investment Profile**, select the **Override** option, and then select the alternative investor profile you want to use for the selected period.  
**Retirement goal only:** You must select an asset mix other than **All Retirement Accounts** if you want to override the clients' investment profile.
6. Select the asset mix you would like to review or override. The current asset mix graph changes depending on the selected asset mix. The suggested asset mix graph is based on your clients' goal investment profile.
7. Scroll down to the bottom of the profile. If applicable, you can modify the asset mix in this proposed portfolio for the selected retirement goal by clicking **Customize Asset Mix**, and then selecting either the **Weightings** option or the **Optimize** option.
8. Use the **Weightings** option to manually adjust the asset class weightings of the portfolio for all or selected accounts. For more detailed instructions, see **Editing asset class weightings (Level 2)** on page 59.
9. Use the **Optimize** option to use the Ibbotson Mean Variance Optimizer to generate a new portfolio based on an efficient frontier graph. For more detailed instructions, see **Using the Optimize calculation** on page 1.

**Note:** The proposed portfolio is only modified for the goal, not for the entire plan. Also, for a retirement goal, the proposed portfolio is only modified for the selected period.

To identify the accounts that will fund the clients' goal, see **Allocating accounts to goals** on page 110.

## Defining education goals

To define an education goal, follow these steps:

1. Go to the **Set Goals – Education** page.

Education
<<
>>

Use this page to define education goals for each family member.
\* Required

Education Objectives
ADD EDUCATION OBJECTIVE

Description	Name	Start Age/Year	Infl +/- Add'l	Annual Cost	Years	Projected Cost	Actions
University Education	Jeremy	18 2020	<input checked="" type="checkbox"/> + 88.00%	\$1	4	\$1,254	

Goal Funding...

Unassigned Accounts (\$0)

Description	Account Type	Owner	Market Value	Cost Base	% Unassigned	Unassigned Amount	Asset Class Weightings	ROR(%)	Savings
New account	Non-Registered	Joint	\$0	\$0	100%	\$0	Unclassified	0.00%	1

Set Goals section – Education category – Education page (Level 2 Plan)

2. To create a new goal, under **Education Objectives**, click **Add Education Objective**, and then enter the details of the goal.
3. To search the Peterson's Undergraduate Database (Data source: Peterson's Databases, copyright (2011). Peterson's, a division of Thomson Learning. All rights reserved.) for post-secondary education expenses, click **Education Calculator**.
4. Under **Education Search Criteria**, select the province in which the school is located and/or enter the school name, and then click **Search**.



**Search Education Costs** ? ✕

Select a **province** from the *Province* list, or enter the college or university name in the *School Name* field to filter items from the education database. If the exact school name is not known, use wildcards (\*) to broaden the search. Click **Search** to view the results.

---

**Education Search Criteria**

Use the search criteria to access university/college-specific education expenses.

**Province** **School Name**

Ontario  **SEARCH**

Use wildcards(\*) in your search.

---

**Search Results**

Select a college or university from the list below, and then select one of the expense option radio buttons.

- ☐ Collège Dominicain de Philosophie et de Théologie (Ottawa, ON)
- ☐ Master's College and Seminary (Toronto, ON)
- ☐ McMaster University (Hamilton, ON)
- ☐ Queen's University at Kingston (Kingston, ON)
- ☐ Redeemer University College (Ancaster, ON)
- ☐ Royal Military College of Canada (Kingston, ON)
- ☐ Saint Paul University (Ottawa, ON)
- ☐ The University of Western Ontario (London, ON)
- ☐ Tyndale University College & Seminary (Toronto, ON)
- ☒ University of Toronto (Toronto, ON)
- ☐ University of Windsor (Windsor, ON)
- ☐ Wilfrid Laurier University (Waterloo, ON)
- ☐ York University (Toronto, ON)

**Expense Options** 1

Tuition

☐ **\$6,416**

Tuition/Room

☐ **\$18,416**


---

1 Amounts include required fees.

Data Source: Peterson's Databases, copyright (2012). Peterson's, a division of Thomson Learning. All rights reserved.

**OK** CANCEL

Search Education Costs dialog box (showing search results)

5. Under **Search Results**, select the school of your choice, and then select an expense option (for example, **Tuition** or **Tuition/Room**).
6. Click **OK**. The value is populated in the **Annual Cost** field.
7. To change the clients' investor profile for a specific education goal, do the following:
  - **Level 1** If the **Asset Allocation** module is selected on the **Plan Management** section – **Modules** category – **Modules** page, under **Investment Profile**, select the **Override** option for the education goal, and then select another investment profile.
  - **Level 2** **Overriding the proposed investor profile for a goal (Level 2 Plans)** on page 102
8. **Level 2** To add additional expenses to the education goal, click .

Education Expenses

Required

?

✖

Select a **province** from the *Province* list, or enter the college or university name in the *School Name* field to filter items from the education database. If the exact school name is not known, use wildcards (\*) to broaden the search. Click **Search** to view the results.

### Education Search Criteria

Use the search criteria to access university/college-specific education expenses.

Province

School Name

SEARCH

Use wildcards(\*) in your search.

### Search Results

There are no results to display.

To calculate the annual education expense for the expense type selected above, click **Populate**. Repeat the Peterson search or expense type selection for each education expense listed below.

Education Goal

ADD EDUCATION EXPENSE

Description

Infl +/- Add'l

University Education

☒ + 88.00%

Name	Start Age	Start Year	Annual Cost	Number of Years	Projected Cost	Actions
Jeremy	18	2020	\$1	4	= \$1,254	

Previous Entry

Next Entry

OK

CANCEL

Search Education Costs dialog box (education expenses entered)

- If applicable, change the **Inflation Rate** for the goal.
  - To add an education expense, click **Add Education Expense**.
  - If you selected an expense option using the Peterson's Undergraduate Database, enter the expense details, and then click **Populate**.
9. When you have finished entering details, click **OK**.
    - If multiple expenses were entered for the goal, the total projected cost of the objective appears under **Education Objectives**.
  10. To allocate an account to the education goal, or to view or edit account distribution for all plan goals, click **Goal Funding**. For more information, see **Allocating accounts to goals** on page 110.

All accounts allocated toward the education goal appear on the **Education** page under **Education Accounts**. The market value of each account displayed reflects the market value for the account and not the actual amount allocated to the education goal. Any accounts not allocated to a goal appear under **Unassigned Accounts**. Clicking the links expands or collapses the information.

## Defining major purchase goals

A major purchase is any large expense for which your clients need to save money. For example, a sailboat, a new roof for the house, or a wedding are all major purchases.

To define a major purchase goal, follow these steps:

1. Go to the **Set Goals– Major Purchase** page.
2. To create a new major purchase goal, click **Add Major Purchase Objective**, and then select an objective type.  
**Note:** For all major purchase objective types other than the **Expense** type, the new asset is added to net worth and appears in the **Enter Financial Data – Net Worth** category in the year the purchase occurs. For example, a new vehicle or second residence can increase net worth, whereas a wedding or holiday cannot.
3. Enter a unique description for the goal, and then complete the required fields.
4. Specify whether the cost will be indexed to meet inflation.

Major Purchase << >>

Use this page to define major purchase goals. \* Required

**Major Purchase Objectives** ADD MAJOR PURCHASE OBJECTIVE ▼

Description	Type	Member	Target Date	Amount	Infl +/- Add'l	Projected Amount	Actions
Vehicle	Expense	Joint	Sep 1 2013	\$1	<input checked="" type="checkbox"/> + 0.00%	\$1	

Goal Funding...

**Unassigned Accounts (\$0)**

Description	Account Type	Owner	Market Value	Cost Base	% Unassigned	Unassigned Amount	Asset Class Weightings	ROR(%)	Savings
New account	Non-Registered	Joint	\$0	\$0	100%	\$0	Unclassified	0.00%	1

Set Goals section – Major Purchase category – Major Purchase page (Level 2 Plan)

5. **Level 1** To change the clients' investor profile for a specific major purchase goal, under **Investment Profile**, select the **Override** option for the major purchase goal, and then select another investment profile.  
**Note:** The **Asset Allocation** module must be selected on the **Plan Management – Modules** page.
6. **Level 2** If you want to override the proposed portfolio for the major purchase goal, and the answers on the **Plan Management – Asset Allocation – Questionnaire** page do not accurately reflect the goal or you are not using predefined asset allocation, **Overriding the proposed investor profile for a goal (Level 2 Plans)** on page 102.
7. To allocate an account to the major purchase goal, or to view or edit account distribution for all plan goals, click **Goal Funding**. For more information, see **Overriding the proposed investor profile for a goal (Level 2 Plans)** on page 102.

All accounts allocated toward the major purchase goal appear on the **Major Purchase** page under **Major Purchase Accounts**. The market value of each account displayed reflects the market value for the account and not the actual amount allocated to the major purchase goal. Any accounts not allocated to a goal appear under **Unassigned Accounts**.

## Defining an emergency fund goal

For a joint analysis, NaviPlan assumes that the emergency fund goal applies to both the client and co-client. When a client dies, NaviPlan transfers the goal to the surviving client.

To define an emergency fund goal, follow these steps:

1. Go to the **Set Goals – Emergency Fund** page.

Emergency Fund
<< >>

Define the emergency fund as a multiple of average monthly fixed expenses or as a specific dollar amount.

### Emergency Fund Goal

☒ **Calculate target amount**

Multiple	Average Monthly Fixed Expenses	Target Amount	Infl +/- Add'l
3.0 X	\$0	\$0	<input type="checkbox"/> + 0.00%

☐ **Specify target amount**

Target Amount	Infl +/- Add'l
\$0	<input type="checkbox"/> + 0.00%

### Reserve Asset Until

☐ Retirement  
☒ End of Plan

Goal Funding...

### Unassigned Accounts (\$0)

Description	Account Type	Owner	Market Value	Cost Base	% Unassigned	Unassigned Amount	Asset Class Weightings	ROR(%)	Savings
New account	Non-Registered	Joint	\$0	\$0	100%	\$0	Unclassified	0.00%	1

Set Goals section – Emergency Fund category – Emergency Fund page (Level 2 Plan)

2. To calculate the funds required to cover expenses that occur over a specific period, select **Calculate target amount**, and then in the **Multiple** field, enter the number of months to cover. The required amount appears in the **Target Amount** field. NaviPlan assumes that
  - Regular liability payments, insurance premiums, and fixed expenses are covered.
  - Extra lump-sum payments, discretionary expenses, savings strategies, and income taxes are not covered.

3. To create an emergency fund goal set at a fixed amount, select **Specify target amount**, and then enter the amount.
4. If you want to index the emergency fund to inflation, select the **Infl** option, and then enter the percentage above or below inflation. The inflation rate applies to both emergency fund calculation methods.
5. Under ***Reserve asset for Emergency Fund until***, indicate how long the emergency fund assets are to be reserved.
  - To have NaviPlan reserve the assets for emergency use only until retirement, select **Retirement**. At retirement, NaviPlan transfers use of these assets to the retirement goal.
  - To have NaviPlan reserve the assets for emergency use for the duration of the plan, select **End of Plan**. These assets are not available for deficit coverage or to fund any other goal.
6. To edit the accounts funding this goal, click **Goal Funding**. For more information, **Allocating accounts to goals** on the next page.

**Note:** Registered accounts cannot fund an emergency fund.

All accounts allocated toward the emergency fund goal appear on the ***Emergency Fund*** page under ***Emergency Fund Accounts***. The market value of each account displayed reflects the market value for the account and not the actual amount allocated to the major purchase goal. Any accounts not allocated to a goal appear under ***Unassigned Accounts***.

## Allocating accounts to goals

To assign accounts to fund specific goals or to view account distribution for all goals, follow these steps:

1. On the <**Retirement/Education/Major Purchase/Emergency Fund**> page, click **Goal Funding**. Your clients' registered accounts, with the exception of RESPs, are automatically assigned to fund the retirement goal, but can also fund education and major expense goals. Non-registered accounts can fund any goal and can also be allocated to more than one goal.

**Note:** You can also allocate accounts to goals or view account distribution for all plan goals on the **Set Goals – Goal Funding** page.

2. For each applicable account, enter any combination of dollar amounts, percentages, or the keyword **Balance** to allocate funds to the applicable goals.

**Note:** In Detailed Tax method, you can allocate registered accounts to goals other than retirement. In Average Tax method, only non-registered accounts can be allocated to goals other than retirement.

In NaviPlan, you can fund goals in three ways:

- **Fixed amount** – Enter a fixed dollar value. When a fixed amount is entered, NaviPlan uses only that amount to fund the goal, even when additional funds are available in the account.
- **Percentage** – Enter a percentage.
- **Balance** – Enter the keyword **balance**. All remaining unallocated funds in the account are directed to the goal. If entered for multiple goals, the remaining balance is distributed equally among those goals.

When allocating an account across multiple goals and using any of the funding options, NaviPlan divides the account into portions for each goal. This split is reflected in stand-alone reports and eliminates the need to manually divide an account. Any account savings are then appropriately distributed among the account's goals.

If accounts are assigned to multiple goals and the combined funding amounts exceed the value of the account, fixed amounts are funded first and the remaining funds are automatically distributed on a pro-rata basis.

Goal Funding

Use this page to allocate accounts towards goals. Enter any mix of percentages, dollar amounts, or the word Balance—however—all accounts must be 100% allocated. Accounts not assigned to a goal can represent emergency funds or funds allocated for estate planning transfers.

Goal Funding

Account Name (Owner/Account Type)	Total	Retirement	University Education	Vehicle	Emergency Fund	Unallocated
New account (Joint/Non-Reg.)	\$0	\$0	\$0	\$0	\$0	100%
New account (Robert/RRSP)	\$0	100%	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0

OK

CANCEL

Goal Funding dialog box

All accounts allocated toward the goal appear on the **Retirement, Education, Major Purchase, or Emergency Fund** pages under **Accounts**. To expand or collapse this information, click the **Accounts** link. The market value of each account displayed under <**goal**> **Accounts** reflects the market value for the account and not the actual amount allocated to the goal. Any accounts not allocated to a goal appear under **Unassigned Accounts**.

---

## Chapter 8: Entering insurance goals

This chapter explains how to enter insurance goals in Level 1 and Level 2 Plans. Insurance goals are entered on separate pages, depending on the type of insurance.

### In this chapter:

---

<b>Entering insurance goals for Level 1 Plans</b>	<b>112</b>
Survivor income (Level 1)	112
Disability insurance (Level 1)	114
Long-term care insurance (Level 1)	115
<b>Entering insurance goals for Level 2 Plans</b>	<b>116</b>
Survivor income goals: if one client dies (Level 2)	116
Survivor income goals: if both clients die (Level 2)	126
Disability income goals (Level 2)	130
<b>Long-term care insurance goals (Level 2)</b>	<b>138</b>
<b>Critical illness insurance goals (Level 2)</b>	<b>141</b>

## Entering insurance goals for Level 1 Plans

In Level 1 Plans, insurance goals consist of life insurance, disability insurance, and long-term care insurance.

Enter the applicable insurance information as described in the following procedures:

- **Survivor income (Level 1)** below
- **Disability insurance (Level 1)** on page 114
- **Long-term care insurance (Level 1)** on page 115

### Survivor income (Level 1)

The need for additional life insurance can be determined quickly using NaviPlan. On the **Survivor Income** page, these needs are determined using the following method:

- First, NaviPlan totals the data in the **Lump Sum Needs** and **Ongoing Needs** sections.
- Next, the total from the **Available Assets to Offset Needs** section is deducted.
- Finally, the total recommended additional insurance is displayed (along with a summary of the calculation) in the **Results** section.

To analyze your clients' need for additional insurance, follow these steps:

1. Go to the **Set Goals** section – **Survivor Income**.

Survivor Income
<< >>

Use this page to quickly assess your clients' need for additional life insurance. Once data has been entered on this page, your clients' additional need will appear under the *Results* heading.

If Robert dies
If Sarah dies
If Both Die

☒ Include in Analysis

**Lump Sum Needs**
☐ Lump Sum Needs Override ?

Copy Lump Sum Needs from Sarah's Assessment

Mortgage Principal	\$0
All Other Loans	\$0
Education Goals	\$0
Emergency Fund	\$0
Final Expenses (burial, probate, etc.)	\$0
Any Additional Needs	\$0
<b>Total Lump Sum Needs</b>	<b>\$0</b>

**Assumptions**

Inflation Rate	3.00%
Assumed Return Rate	5.00%
Survivor's Tax Rate	30.00%

**Results**

Total Lump Sum Needs	\$0
plus: Total Ongoing Needs	\$0
less: Total Available Assets	\$0
<b>Additional Life Insurance Needed</b>	<b>\$0</b>

**Ongoing Needs**
ADD ONGOING NEED

Annual Ongoing Needs are \$0 for 0 years

You require \$0 to meet your calculated ongoing need.

**Available Assets to Offset Needs**
☐ Available Asset Override ?

Copy Available Assets from Sarah's Assessment


Realizable Assets	\$0
Existing Life Insurance Policies	\$0
<b>Total Available Assets</b>	<b>\$0</b>

Set Goals section – Survivor Income category – Survivor Income page (Level 1 Plan)



2. Use the tabs along the top of the page to select a survivorship situation.
3. Enter all lump sum needs in the **Lump Sum Needs** container.

**Note:** Mortgage Principal, All Other Loans, and Education Goals are calculated based on data collected from elsewhere in the assessment. To manually enter data for these fields, select the **Lump Sum Needs Override** option.

4. Enter all **Ongoing Needs** your client will need to pay in the selected survivorship situation. The default entry is based on data entered elsewhere in the plan and is meant to show the amount of annual income necessary to replace the decedent's income.
  - To modify these assumptions, select  and modify any of the assumptions in the **Ongoing Needs** dialog box.
  - You can also specify how much of the decedent's income is necessary to replace for different time periods:
    1. From the **Ongoing Needs** section, enter an ongoing need and a number of years for the first row. This comprises the first period.
    2. Click **Add Ongoing Need**.
    3. Enter an annual ongoing need and a number of years for the newly created row. This comprises the second period and immediately follows the previous period.
    4. Repeat step 3 until you are satisfied.
5. Enter all assets available to cover needs in the selected survivorship situation. These assets are divided into two categories:
  - **Realizable Assets:** This field represents the value of assets that are easily converted to cash in the event of a death.
  - **Existing Life Insurance Policies:** This field represents the value of existing life insurance policies already entered in the assessment.

The value of these assets is calculated by NaviPlan; to modify these values select **Available Asset Override** and enter new data.
6. Review the information NaviPlan is using for this analysis in the **Assumptions** container and make any changes you wish.
7. NaviPlan now calculates your clients' need for additional life insurance and displays its recommendations in the **Results** container.

## Disability insurance (Level 1)

1. Go to the **Set Goals – Disability Income** page.

Disability Income
<<
>>

Select the appropriate check boxes below to activate the insurance analysis. Enter details for the applicable insurance objectives.

### Disability Insurance Analysis to Include

☒ If Robert becomes Disabled  
☒ If Sarah becomes Disabled

### Objectives

Percentage of lifestyle expenses to cover

	Robert	Sarah
Cover Major Purchase Goals	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pay Off Outstanding Liabilities	<input type="checkbox"/>	<input type="checkbox"/>

Set Goals section – Survivor Income category – Disability Income page (Level 1 Plan)

2. Under **Disability Insurance Analysis to Include**, select the appropriate **If <client/co-client> becomes Disabled** option to model the scenario for the client or co-client.

**Note:** For the purposes of the disability insurance analysis, NaviPlan assumes that the client and co-client do not become disabled at the same time.

3. Under **Objectives**, enter the percentage of lifestyle expenses to cover.

This is the percentage of current expenses that are expected to continue after the disability of the client or co-client. This feature allows you to illustrate a change in cash flow (expense) needs if one of the clients becomes disabled. The default is 100%, but the percentage can be changed.

For disability insurance, non-registered assets are available at the start of disability, registered assets are available at the start of retirement, and lifestyle assets are available for the estate.

4. If the disability insurance coverage is to cover the outstanding major purchase goals in the event of the disability of one client, select the **Cover Major Purchase Goals** option for the client and/or co-client.
5. If the disability insurance coverage is to pay off all outstanding liabilities, select the **Pay Off Outstanding Liabilities** option for the client and/or co-client.

## Long-term care insurance (Level 1)

1. Go to the **Set Goals – Long-term Care** page.

Long-term Care
<<
>>

Select the appropriate check boxes below to activate the insurance analysis. Enter details for the applicable insurance objectives.

### Long-term Care Insurance Analysis to Include

☒ If Robert enters LTC  
☒ If Sarah enters LTC

### Objectives

Percentage of lifestyle and medical expenses to cover during

	Robert	Sarah	Frequency
Additional LTC Expenses	<input type="text" value="\$0"/>	<input type="text" value="\$0"/>	<input type="text" value="Weekly"/> ▼

Set Goals section – Long-term Care category – Long-term Care page (Level 1 Plan)

2. Under **Long-term Care Insurance Analysis to Include**, select the appropriate **If <client/co-client> enters LTC** option to model the scenario for the client or co-client.
  - The age at which long-term care begins is based on the age of death set on the **Set Goals** section – **Retirement** category – **Retirement** page. By default, the client is assumed to require long-term care for a period of four years starting on January 1 of the year in which the client turns age 80, and the client is assumed to die at the end of this period.
2. Under **Objectives**, enter the percentage of lifestyle and medical expenses that is expected to continue when the period of long-term care begins. The default is 100%, but the percentage can be changed.
3. Enter the amount of any additional daily long-term care expenses for the client or the co-client.

For long-term care insurance, non-registered and registered assets are available at the start of long-term care, and lifestyle assets are available for the estate.

## Entering insurance goals for Level 2 Plans

In Level 2 Plans, insurance goals consist of life insurance, disability insurance, long-term care insurance, and critical illness insurance.

Enter the applicable insurance information as described in the following procedures:

- **Survivor income goals: if one client dies (Level 2)** below
- **Survivor income goals: if both clients die (Level 2)** on page 126
- **Disability income goals (Level 2)** on page 130
- **Long-term care insurance goals (Level 2)** on page 138
- **Critical illness insurance goals (Level 2)** on page 141

### Survivor income goals: if one client dies (Level 2)

You can enter insurance needs and objectives for the client and co-client in the **Survivor Income** category. Data entry is the same for both. To consider insurance needs when both clients die, see **Survivor income goals: if both clients die (Level 2)** on page 126.

To enter data and assess needs for the client or co-client, follow these steps:

1. Go to the **Set Goals – Survivor Income – Client/Co-client Objectives** page.

Client Objectives

Co-client Objectives

Both Objectives

<<

>>

Select an insurance analysis method. Use this page to activate the survivor income analysis for Robert. Robert's death will be simulated as of the end of the current year, and the plan will be projected forward to analyze the results. \* Required

Objectives

☒ If Robert dies

Select an insurance analysis method

☐ Quick Assessment  
☐ Goal and Expense Analysis  
☒ Income Coverage Analysis

Assumptions

Lump Sum Needs

Annual Income Needs

Survivor's Income

Asset Availability

Adjust Milestones

Sarah

Override

Age

Date

Survivor Retirement Age

☐

65

May 2042

Survivor Life Expectancy

☐


90

2067

ROR on Cash Flow Surpluses & Liquidations

	Total	Interest	Dividends	Capital Gains	Deferred Growth
Pre-Retirement	6.00%	1.50%	1.50%	1.50%	1.50%
Retirement	6.00%	1.50%	1.50%	1.50%	1.50%

Set Goals section – Survivor Income category – Client/Co-client Objectives page – Assumptions tab (Level 2 Plan, Average Tax method)

2. To assess insurance needs, under **Objectives**, select **If <client/co-client> dies**.
3. Select a method for analyzing insurance needs.
  - **Goal and Expense Analysis** assesses the life insurance needed to cover the survivor's goals and expenses. Goals and expenses at the plan level, as well as additional expenses entered for the life insurance scenario, are considered. This analysis is integrated into the rest of the plan.
  - **Income Coverage Analysis** assesses the life insurance needed to replace income lost from the death of the client or co-client. This method is independent of the rest of the plan.
  - **Quick Assessment** calculates your clients' additional insurance needs on the basis of a simple comparison of their lump sum and ongoing needs to their assets available to offset those needs. This assessment is designed to quickly assess your clients' need and provide you with an accurate amount of additional life insurance they will require.
4. To change the survivor's retirement age for the life insurance calculation, go to the **Assumptions** tab, select the **Override the Retirement Age for the Survivor** option, and then enter the retirement age or date. The default values originate from the **Plan Management – Assumptions – Milestones** page.
5. To change the survivor's life expectancy for the life insurance calculation, select the **Override the Survivor Life Expectancy** option, and then enter the life expectancy age or year. The default values originate from the **Plan Management – Assumptions – Milestones** page.
6. Under **ROR on Cash Flow Surpluses & Liquidations**, enter return rates.
7.  To override the tax rates shown, select the **Override Tax Rates** option, and then enter the tax rates you wish to use. Changing the tax rate here only affects the survivor's tax rates for life insurance calculations. It does not affect rates used in the rest of the plan. The default values on this page originate from the **Plan Management – Assumptions – General** page.  
**Note:** The province tax rate is added to the displayed average, marginal, and long-term capital gains tax in income tax calculations. Province tax deductions at the federal level are considered.
8. Complete one of the following procedures:
  - **Goal and Expense Analysis method if one client dies** on the next page
  - **Income Coverage Analysis method if one client dies** on page 121
  - **Survivor Income Objectives: Quick Assessment** on page 1
  - **Using the Human Life Value calculation** on page 1

### Goal and Expense Analysis method if one client dies

The **Goal and Expense Analysis** method must be selected on the **Set Goals – Survivor Income – Client/Co-client Objectives** page. See **Entering insurance goals for Level 2 Plans** on page 116.

To use the **Goal and Expense Analysis** method, follow these steps:

1. Go to the **Ongoing Expenses** tab.
2. Under **Annual Expenses**, enter the percentage of lifestyle expenses to be covered by life insurance proceeds. The percentage entered becomes the default for the expenses listed under **Expense**.  
**Note:** Pre-retirement or retirement expenses must be entered in the plan for the **Expense** fields to appear on this tab.
3. To select a different percentage for an individual expense, clear the corresponding **Use Defaults** option, and then enter the percentage in the **% to Cover** field.

Assumptions
Ongoing Expenses
Additional Annual Income
Lump Sum Needs
Asset Availability

Enter the overall percentage for pre-retirement and retirement expenses for the survivor analysis.

Enter *Additional Expenses* to account for incremental expenses that may be incurred after the partner's death

Annual Expenses

Percentage of lifestyle and medical expenses to cover

Education Goals

Description	Name	Start Age	Number of Years	Annual Amount	% to Cover
College Education	Julia	18	4	\$0	<input type="text" value="100%"/>

Surplus Strategy

Percent surplus spent

Percent surplus saved

Analysis Surplus

☒ Assume surplus is spent

Additional Expenses

Click the **Add Additional Expense** button to create a new row.

**ADD ADDITIONAL EXPENSE**

Set Goals section – Survivor Income category – Client/Co-client Objectives page – Ongoing Expenses tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

4. If education expenses exist in the plan, under **Education Expenses**, enter the percentage of education expenses to be covered in the event of death.

5. Under **Surplus Strategy**, enter the applicable amounts in the **Percent surplus spent** and **Percent surplus saved** fields. The surplus strategy applies throughout the life insurance analysis.
  - The **Percent surplus spent** and **Percent surplus saved** fields control what NaviPlan does with any cash flow surplus during survivorship. For example, when one client dies, you expect the survivor to incur a cash flow surplus of \$10,000. You also expect the survivor to spend 25% of this surplus on miscellaneous costs and invest the remaining amount. For this example, you would enter **25** in the **Percent surplus spent** field. NaviPlan automatically saves the remaining 75% into a non-registered account when survivorship occurs.
6. Under **Analysis Surplus**, select or clear the **Assume surplus is spent** option as required.
  - When the option is selected, NaviPlan projects the cash flow that would have occurred in pre-retirement if neither client died. Any pre-retirement surpluses resulting from that projection become additional pre-retirement survivor expenses in the years they are projected to occur. The **Percentage of lifestyle expenses to cover** value applies to this expense just like any other regular expense.
7. Under **Additional Annual Expenses**, click **Add Additional Annual Expense** to enter any new expenses that will apply during survivorship.
8. Once all ongoing expenses are entered, go to the **Additional Annual Income** tab.
9. To add an annual income that may apply during survivorship, under **Additional Annual Income**, click **Add Annual Income**, and then enter the income details.

Assumptions Ongoing Expenses **Additional Annual Income** Lump Sum Needs Asset Availability

Use this page to enter additional annual income that applies in survivorship.

**Additional Annual Income** ADD ANNUAL INCOME

Description	Income Type	Annual Amount	Start Date	End Date	Infl +/- Add'l	Actions
Salary	Salary	\$0	Jan 1 2015	Ret. (Co-client)	<input checked="" type="checkbox"/> + 0.00%	

Set Goals section – Survivor Income category – Client/Co-client Objectives page – Additional Annual Income tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

10. Once all ongoing incomes are entered, go to the **Lump Sum Needs** tab.

Assumptions **Lump Sum Needs** Annual Income Needs Survivor's Income Asset Availability

Select the outstanding liabilities that are to be paid in full upon death. If items listed under *Pay Off Outstanding Liabilities* are not selected, those regular payments will continue and be part of the survivor's cash flow needs.

Adjust the *% to Cover* for major purchase goals to be retained in the analysis. If 0 is entered for items listed under *Major Purchase Goals*, the assumption is that the savings and needs required for those goals are not included as part of the survivor's cash flow needs.

Use this page to enter lump sum needs in the event of a survivorship situation (such as a funeral cost).

**Major Purchase Goals**

Description	Amount	Target Date	% to Cover
-------------	--------	-------------	------------

**Additional Lump Sum Needs** ADD LUMP SUM NEED

Click the **Add Lump Sum Need** button to create a new row.

Set Goals section – Survivor Income category – Client/Co-client Objectives page – Lump Sum Needs tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

11. Under ***Pay Off Outstanding Liabilities***, select any existing loans that will be paid off by insurance proceeds.
  - For each loan that is not selected, NaviPlan assumes that the payments continue and will be included as part of the survivor's cash flow.

**Note:** This option is only available if liabilities exist in the plan and, if on the ***Enter Financial Data*** section – ***Net Worth – Assets/Liabilities – Liability Details*** dialog box – ***Details*** tab, the ***Payoff Options at Death*** selection is ***Transfer to survivor*** or ***Payoff at first death (from estate)***.
12. Select any future major purchase goals that will be paid for in the event of death. This option is only available if major purchase goals exist in the plan.
13. Under ***Additional Lump Sum Needs***, if any other lump-sum needs are expected, click **Add Lump Sum Need**, and then enter the details of the need in the fields that appear.
14. To indicate when accounts are to be made available during the survivorship period, complete the procedure **Assigning asset availability if one client dies** on page 123.



## Income Coverage Analysis method if one client dies

The **Income Coverage Analysis** option must first be selected on the **Set Goals – Survivor Income – Client/Co-client Objectives** page. See **Entering insurance goals for Level 2 Plans** on page 116.

To use the **Income Coverage Analysis** method, follow these steps:

1. Go to the **Annual Income Needs** tab.
2. To calculate a percentage of current income needed during survivorship, under **Current Income Level Calculator**, enter a percentage in the **% to cover** field, and then click **Add to Annual Income Needs**. The income need now appears under **Annual Income Needs**.
3. To define a new annual income need that will apply during survivorship, under **Annual Income Needs** click **Add Annual Income Need**, and then enter all applicable data.

The screenshot displays the 'Annual Income Needs' tab within the NaviPlan software. At the top, there are five tabs: 'Assumptions', 'Lump Sum Needs', 'Annual Income Needs' (which is selected), 'Survivor's Income', and 'Asset Availability'. Below the tabs, a text box explains that the income requirements entered here will be considered in the analysis, and any expenses or needs for retirement entered in the plan's regular cash flow will be included when using the 'Income Coverage Analysis' method. It also states that including education goals will increase the cash flow needs.

The 'Current Income Level Calculator' section contains a form with three input fields: 'Household Pre-tax Income' (set to \$0), '% to cover' (set to 0%), and 'Amount' (set to \$0). A blue button labeled 'ADD TO ANNUAL INCOME NEEDS' is positioned to the right of the 'Amount' field.

The 'Annual Income Needs' section features a blue button labeled 'ADD ANNUAL INCOME NEED' and a text prompt: 'Click the Add Annual Income Need button to create a new row.'

The 'Support for Dependents' section includes a blue button labeled 'ADD SUPPORT FOR DEPENDANT' and a text prompt: 'Click the Add Support for Dependand button to create a new row.'

The 'Scenario Surplus' section has two input fields: 'Percent Surplus Spent' (set to 0%) and 'Percent Surplus Saved' (set to 100%).

The 'Education Goals' section contains a table with the following data:

Description	Name	Start Age	Number of Years	Annual Amount	% to Cover
University Education	Jeremy	18	4	\$1	100%

Set Goals section – Survivor Income category – Client/Co-client Objectives page – Annual Income Needs tab  
(Level 2 Plan, Income Coverage Analysis method selected)

4. To enter annual child support needed for each child that will be provided in the event of death, click **Add Support for Dependand**, and then enter the support details. This section does not appear if dependants have not been entered.
5. To determine how much of any cash flow surplus is assumed to be spent or saved, under **Scenario Surplus** enter the percentage values. For example, when one client dies, you expect the survivor to incur a cash flow surplus of \$10,000. You also expect the survivor to spend 25% of this surplus on miscellaneous costs and invest the remaining amount. For this example, you would enter **25** in the **Percent surplus spent** field. NaviPlan automatically saves the remaining 75% into a non-registered account when survivorship occurs.
6. To define how much of an education goal is to be funded during survivorship, under **Education Goals**, enter a percentage value in the **% to Cover** field.
7. Once income needs are entered, go to the **Lump Sum Needs** tab.

Assumptions Lump Sum Needs Annual Income Needs Survivor's Income Asset Availability

Select the outstanding liabilities that are to be paid in full upon death. If items listed under *Pay Off Outstanding Liabilities* are not selected, those regular payments will continue and be part of the survivor's cash flow needs.

Adjust the % to Cover for major purchase goals to be retained in the analysis. If 0 is entered for items listed under *Major Purchase Goals*, the assumption is that the savings and needs required for those goals are not included as part of the survivor's cash flow needs.

Use this page to enter lump sum needs in the event of a survivorship situation (such as a funeral cost).

**Major Purchase Goals**

Description	Amount	Target Date	% to Cover
-------------	--------	-------------	------------

**Additional Lump Sum Needs** ADD LUMP SUM NEED

Click the **Add Lump Sum Need** button to create a new row.

Set Goals section – Survivor Income category – Client/Co-client Objectives page – Lump Sum Needs tab  
(Level 2 Plan, Income Coverage Analysis method selected)

8. Under **Pay Off Outstanding Liabilities**, select any existing loans that will be paid off by insurance proceeds. For each loan that is not selected, NaviPlan assumes that the payments continue and will be included as part of the survivor's cash flow.  
**Note:** This option is only available if liabilities exist in the plan and, if on the Enter Financial Data section – **Net Worth** category – **Assets/Liabilities – Liability Details** dialog box, the **Payoff Options at Death** selection is **Transfer to survivor** or **Payoff at first death (from estate)**. This option is only available if liabilities exist in the plan.
9. Enter the percentage of any future major purchase goals that will be paid for in the event of death.  
**Note:** This option is only available if major purchase goals exist in the plan.
10. Under **Additional Lump Sum Needs**, if any other lump-sum needs are expected, click **Add Lump Sum Need**, and then enter the details of the need in the fields that appear.
11. Go to the **Survivor's Income** tab.

Assumptions Lump Sum Needs Annual Income Needs Survivor's Income Asset Availability

Enter any incomes the survivor will receive after the partner dies.

Defined benefit and defined contribution pensions entered in the plan that include survivor benefits will flow through to this page.

**Survivor's Income** Reset ADD SURVIVOR INCOME

Description	Member	Income Type	Amount	Frequency	Start Date	End Date	Infl +/- Add'l	Actions
Salary	Sarah	Salary	\$0	Annual	Jan 1 2014	Ret. (Owner)	0.00%	

Set Goals section – Survivor Income category – Client/Co-client Objectives page – Survivor's Income tab  
(Level 2 Plan, Income Coverage Analysis method selected)

12. To enter a new income, click **Add Survivor Income**, and then enter all appropriate data.
13. To indicate when accounts are to be made available during the survivorship period, complete the procedure see **Assigning asset availability if one client dies** on the next page.

**Note:** To delete any changes and revert the survivor incomes that were created on the **Enter Financial Data** section – **Cash Flow**, click **Reset**.

### Assigning asset availability if one client dies

On the **Asset Availability** tab (for either the Goal and Expense Analysis method or the Income Coverage Analysis method), you can indicate when assets are to be made available during the survivorship period.

1. Go to the **Asset Availability** tab.

Assumptions Lump Sum Needs Ongoing Income Needs **Asset Availability**

Use this page to control asset availability for survivor needs.

**Investment Accounts**

Account Name	Survivor Needs	
	Available	Not Available
New account (Robert/RRSP)	<input checked="" type="radio"/>	<input type="radio"/>

**Lifestyle Assets**

Asset Name	Survivor Needs	
	Available	Not Available
Principal Residence (Robert/Lifestyle)	<input type="radio"/>	<input checked="" type="radio"/>

**Education Specific Accounts**

The current plan does not have any education specific accounts defined.

Goals section – Survivor Income category – Client/Co-client Objectives page – Asset Availability tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

2. Under **Investment Accounts – Survivor Needs**, select one of the following options for each account:
  - **Available Immediately**, if the account is available for survivor needs immediately following the death of the client.
  - **Available Starting At Retirement**, if the account is available for survivor needs upon the survivor's retirement.
  - **Not Available**, if the account is not available for survivor needs.

**Note:** If you select **Available Immediately** or **Available Starting At Retirement**, the clients' accounts are redeemed as required to cover the survivor's income needs.

3. Under **Lifestyle Assets** select one of the following options for each lifestyle asset:
  - **Liquidate Immediately**, if the asset will be made available to the survivor when the client or co-client dies.
  - **Liquidate At Retirement**, if the asset will be sold when the surviving client reaches retirement.
  - **Not Available**, if the asset will not be sold until both the client and co-client die.

**Note:** If you select **Liquidate Immediately** or **Liquidate At Retirement**, the entire lifestyle asset is liquidated and the proceeds remaining at the end of the year are reinvested at the rate set on the **Set Goals – Survivor Income – Client/Co-client Objectives page – Assumptions** tab.

## Life Insurance Analysis

The need for additional life insurance can be determined quickly using NaviPlan. On the **Insurance Analysis** page, these needs are determined using the following method:

- First, NaviPlan totals the data in the **Lump Sum Needs** and **Ongoing Needs** sections.
- Next, the total from the **Available Assets to Offset Needs** section is deducted.
- Finally, the total recommended additional insurance is displayed (along with a summary of the calculation) in the **Results** section.

To analyze your clients' need for additional insurance, follow these steps:

1. Go to the **Insurance Analysis** page.

If Robert dies
If Sarah dies
If Both Die

☒ Include in Analysis

**Lump Sum Needs**
☐ Lump Sum Needs Override ?

Copy Lump Sum Needs from Sarah's Assessment

Mortgage Principal \$0
All Other Loans \$0
Education Goals \$23,032
Emergency Fund \$0
Final Expenses (burial, probate, etc.) \$0
Any Additional Needs \$0
**Total Lump Sum Needs \$23,032**

**Ongoing Needs**

Annual Ongoing Needs are \$0 for 0 years
You require \$0 to meet your calculated ongoing need.

**Available Assets to Offset Needs**
☐ Available Asset Override ?

Copy Available Assets from Sarah's Assessment

Realizable Assets \$11,800
Existing Life Insurance Policies \$300,000
**Total Available Assets \$311,800**

**Assumptions**

Inflation Rate 3.00%
Assumed Return Rate 5.00%
Survivor's Tax Rate 30.00%

**Results**

Total Lump Sum Needs \$23,032
plus: Total Ongoing Needs \$0
less: Total Available Assets \$311,800
**Additional Life Insurance Needed \$0**

Financial Assessment section – Financial Assessment category – Insurance page

2. Use the tabs along the top of the page to select a survivorship situation.
3. Enter all lump sum needs in the **Lump Sum Needs** container.

**Note:** Mortgage Principal, All Other Loans, and Education Goals are calculated by based on data collected from elsewhere in the assessment. To manually enter data for these fields, select the **Lump Sum Needs Override** option.

4. Enter all **Ongoing Needs** your client will need to pay in the selected survivorship situation. The default entry is based on data entered elsewhere in the plan and is meant to show the amount of annual income necessary to replace the decedent's income.
  - To modify these assumptions, select the calculator icon and modify any of the assumptions in the **Ongoing Needs** dialog box.
  - You can also specify how much of the decedent's income is necessary to replace for different time periods:
    1. From the **Ongoing Needs** section, enter an ongoing need and a number of years for the first row. This comprises the first period.
    2. Click **Add Ongoing Need**.
    3. Enter an annual ongoing need and a number of years for the newly created row. This comprises the second period and immediately follows the previous period.
    4. Repeat step 3 until you are satisfied.
5. Enter all assets available to cover needs in the selected survivorship situation. These assets are divided into two categories:
  - **Realizable Assets:** This field represents the value of assets that are easily converted to cash in the event of a death.
  - **Existing Life Insurance Policies:** This field represents the value of existing life insurance policies already entered in the assessment.

The value of these assets is calculated by NaviPlan; to modify these values select **Available Asset Override** and enter new data.
6. Review the information NaviPlan is using for this analysis in the **Assumptions** container and make any changes you wish.
7. NaviPlan now calculates your clients' need for additional life insurance and displays its recommendations in the **Results** container.

## Survivor income goals: if both clients die (Level 2)

To analyze life insurance needs in the event that both clients die, follow these steps:

1. Go to the **Set Goals – Survivor Income – Both Objectives** page.

Assumptions
Lump Sum Needs
Ongoing Income Needs
Asset Availability

### ROR on Cash Flow Surpluses & Liquidations

	Total	Interest	Dividends	Capital Gains	Deferred Growth
Pre-Retirement	6.00%	1.50%	1.50%	1.50%	1.50%
Retirement	6.00%	1.50%	1.50%	1.50%	1.50%

### Tax Rates

	Tax Bracket	Average	Marginal
Tax Rate	\$50,001 - \$60,000 ▼	24.30%	34.75%

Set Goals section – Survivor Income category – Both Objectives page – Assumptions tab  
(Level 2 Plan, Detailed Tax method and Goal, and Expense Analysis method selected)

2. Under **Objectives**, select **If <client> and <co-client> die**.
3. Select an insurance analysis method.
  - **Goal and Expense Analysis** assesses the life insurance needed to cover the survivor's goals and expenses. Goals and expenses at the plan level, as well as additional expenses entered for the life insurance scenario, are considered. This analysis is integrated into the rest of the plan.
  - **Income Coverage Analysis** assesses the life insurance needed to replace income lost from the death of the client or co-client. This method is independent of the rest of the plan.
4. On the **Assumptions** tab under Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations, enter return rates.
5. **D. Tax** Under **Tax Rates**, view the tax rates to be used for any dependant-owned assets. Edit if necessary.
6. Complete one of the following procedures:
  - **Goal and Expense Analysis method if both clients die below**
  - **Income Coverage Analysis method if both clients die on the next page**

### Goal and Expense Analysis method if both clients die

The **Goal and Expense Analysis** method must be selected on the **Set Goals – Survivor Income – Both Objectives** page. **Survivor income goals: if both clients die (Level 2)** above for more information.

To use the **Goal and Expense Analysis** method, follow these steps:

1. Go to the **Ongoing Expenses** tab.

Assumptions
Ongoing Expenses
Lump Sum Needs
Asset Availability

Support for Dependants
ADD SUPPORT FOR DEPENDANT

Click the **Add Support for Dependant** button to create a new row.

Education Goals

Description	Name	Start Age	Number of Years	Annual Amount	% to Cover
University Education	Jeremy	18	4	\$0	100%

Set Goals section – Survivor Income category – Both Objectives page – Ongoing Expenses tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

2. Under **Support for Dependants**, click **Add Support for Dependant**, and then enter annual child support needed for each child that will be provided in the event of death. This section does not appear if dependants have not been entered.
3. Under **Education Expenses**, define the percentage of previously entered education expenses that will be covered by life insurance. This option is only available if an education goal exists in the plan.
4. Go to the **Lump Sum Needs** tab.

Assumptions
Ongoing Expenses
Lump Sum Needs
Asset Availability

Use this tab to enter and edit lump-sum cash flow needs after the death of the primary family member(s). Under *Additional Lump Sum Needs*, enter items such as funeral expenses.

Additional Lump Sum Needs
ADD LUMP SUM NEED

Description	Amount	Infl +/- Add'l	Actions
Lump Sum Need	\$0	<input checked="" type="checkbox"/> + 0.00%	

Set Goals section – Survivor Income category – Both Objectives page – Lump Sum Needs tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

5. Under **Additional Lump Sum Needs**, enter one-time expenses that will be covered in the event of death. Enter a unique description for each expense, and then enter all appropriate data.  
**Note:** Lump sum needs entered on the **Client/Co-client Objectives** page are also listed here.
6. Under **Estate Expenses**, NaviPlan lists estate expenses previously entered on the Set Goals section – **Estate Planning** category – **Estate Expenses** page.
7. To indicate when accounts are to be made available for survivor and estate needs, complete the procedure **Assigning asset availability if both clients die** on page 130.

#### Income Coverage Analysis method if both clients die

The **Income Coverage Analysis** option must first be selected on the **Set Goals – Survivor Income – Both Objectives** page. See **Survivor income goals: if both clients die (Level 2)** on the previous page.

To use the **Income Coverage Analysis** method, follow these steps:

1. Go to the **Ongoing Income Needs** tab.

Assumptions
Lump Sum Needs
Ongoing Income Needs
Asset Availability

### Current Income Level Calculator

Household Pre-tax Income  x % to cover  = Amount  [ADD TO SUPPORT FOR DEPENDANTS](#)

### Support for Dependents

Click the **Add Support for Dependant** button to create a new row.

[ADD SUPPORT FOR DEPENDANT](#)

### Education Goals

Description	Name	Start Age	Number of Years	Annual Amount	% to Cover
University Education	Jeremy	18	4	\$0	<input type="text" value="100%"/>

Set Goals section – Survivor Income category – Both Objectives page – Ongoing Income Needs tab  
(Level 2 Plan, Income Coverage Analysis method selected)

2. To calculate a percentage of current income needed during survivorship, under **Current Income Level Calculator**, enter a percentage in the **% to cover** field, and then click **Add to Support for Dependents**.
3. To enter annual child support needed for each child that will be provided in the event of death, click **Add Support for Dependant**, and then enter the support details. This section does not appear if dependants have not been entered.
4. If education expenses exist in the plan, under **Education Expenses**, enter the percentage of education expenses to be covered in the event of death.
5. Go to the **Lump Sum Needs** tab.

Assumptions
Lump Sum Needs
Ongoing Income Needs
Asset Availability

Select outstanding liabilities to be paid in full upon death. If items listed under *Pay Off Outstanding Liabilities* are not selected, it is assumed that additional insurance is not required because the liabilities are insured separately for life.

Under *Additional Lump Sum Needs*, enter items such as funeral expenses.

### Pay Off Outstanding Liabilities

Description	Outstanding Principal
-------------	-----------------------

### Additional Lump Sum Needs

Click the **Add Lump Sum Need** button to create a new row.

[ADD LUMP SUM NEED](#)

Set Goals section – Survivor Income category – Both Objectives page – Lump Sum Needs tab  
(Level 2 Plan, Goal and Expense Analysis method selected)



6. Under **Pay Off Outstanding Liabilities**, select any existing loans that will be paid off by insurance proceeds. For each loan that is not selected, NaviPlan assumes that the payments continue and will be included as part of the survivor's cash flow.

**Note:** This option is only available if liabilities exist in the plan and, if on the Enter Financial Data section – **Net Worth** category – **Assets/Liabilities** page – **Liability** dialog box, the **Payoff Options at Death** selection is **Transfer to survivor** or **Payoff at first death (from estate)**. This option is only available if liabilities exist in the plan.

7. Under **Additional Lump Sum Needs**, enter one-time expenses that will be covered in the event of death. Enter a unique description for each expense, and then enter all appropriate data.
8. To indicate when accounts are to be made available for survivor and estate needs, complete the procedure **Assigning asset availability if both clients die** on the next page.

### Assigning asset availability if both clients die

On the **Asset Availability** tab (for either the Goal and Expense Analysis method or the Income Coverage Analysis method), you can indicate when assets are to be made available.

1. Go to the **Asset Availability** tab.

Assumptions Lump Sum Needs Ongoing Income Needs **Asset Availability**

Use this page to control asset availability for survivor needs.

#### Investment Accounts

Account Name	Survivor Needs	
	Available	Not Available
New account (Robert/RRSP)	<input checked="" type="radio"/>	<input type="radio"/>

#### Lifestyle Assets

Asset Name	Survivor Needs	
	Available	Not Available
Principal Residence (Robert/Lifestyle)	<input type="radio"/>	<input checked="" type="radio"/>

#### Education Specific Accounts

The current plan does not have any education specific accounts defined.

Set Goals section – Survivor Income category – Both Objectives page – Asset Availability tab (Level 2 Plan, Detailed Tax method)

2. Under **Investment Accounts** and **Lifestyle Assets – Survivor Needs**, select one of the following options for each account or asset:
  - **Available**, if the account is available for survivor needs immediately following the death of both clients. The account is redeemed as required to cover the survivor's income needs.
  - **Not Available**, if the account is not available for survivor needs.

The **Education Specific Accounts** section is for information purposes only and cannot be modified. The list includes RESPs.

### Disability income goals (Level 2)

When a client is currently disabled, if you are using the Detailed Tax method, you can indicate this on the **Plan Management – Assumptions – Milestones** page. In this case, a link to the **Milestones** page appears on the **Set Goals – Disability Income – Client/Co-client Objectives** page.

To enter data and assess disability insurance needs for the client or co-client, follow these steps:

1. Go to the **Set Goals** section – **Disability Income – Client/Co-client Objectives** page.
2. To assess insurance needs, under **Objectives**, select **If <client/co-client> is disabled**.

Assumptions   Lump Sum Needs   Annual Income Needs   Income Available   Asset Availability

### Adjust Milestones

		Robert		Sarah	
	Override	Age	Date	Age	Date
Disability Retirement Age	<input type="checkbox"/>	92	Jan 2066	65	May 2042
Disability Life Expectancy	<input type="checkbox"/>	117	2091	90	2067
Analyze Disability To		92	2066		

### ROR on Disability Insurance Proceeds, Surpluses & Liquidations

	Total	Interest	Dividends	Capital Gains	Deferred Growth
Pre-Retirement	6.00%	1.50%	1.50%	1.50%	1.50%
Retirement	6.00%	1.50%	1.50%	1.50%	1.50%

Set Goals section – Disability Income category – Client/Co-client Objectives page –  
Assumptions tab (Level 2 Plan, Detailed Tax method, and Income Coverage Analysis method selected)

3. Select a method for analyzing disability insurance needs.
  - **Goal and Expense Analysis** assesses disability insurance needs to cover the clients' goals and expenses. Goals and expenses at the plan level, and additional expenses entered for the disability insurance scenario, are considered. This method is integrated into the rest of the plan.
  - **Income Coverage Analysis** assesses disability insurance needs to replace the clients' income. This method is independent of the rest of the plan.
4. To override the client's or co-client's default retirement age, go to the **Assumptions** tab, select **Override the Retirement Age for Disability Analysis**, and then enter the age or date of retirement.
5. To override the client's or co-client's default life expectancy, select **Override the Disability Life Expectancy**, and then enter the age or year of death.
6. In the **Analyze Disability Through** fields, enter the last age or year you want to include in reports for the clients' disability analysis. The adjacent date field updates automatically.
  - Benefit payments pay into the plan from the time the policy begins and end on the end date of the disability insurance policy.
7. Under **ROR on Disability Insurance Proceeds, Surpluses & Liquidations**, enter return rates if needed.
8. **A. Tax** To override tax rates, select **Override Tax Rates**, and then enter the tax rates you wish to use. Changing the tax rates here only affects the tax rates for disability insurance calculations. It does not affect rates used in the rest of the plan. The default values on this page originate from the **Plan Management** section – **Assumptions** category – **General** page.
9. Complete one of the following procedures:
  - **Disability Income: Goal and Expense Analysis method** on the next page
  - **Disability Income: Income Coverage Analysis method** on page 135

## Disability Income: Goal and Expense Analysis method

The **Goal and Expense Analysis** option must be selected on the Set Goals section – **Disability Income** category – **Client/Co-client Objectives** pages. To use the **Goal and Expense Analysis** option, follow these steps:

1. Go to the **Ongoing Expenses** tab.

Assumptions
Ongoing Expenses
Additional Annual Income
Lump Sum Needs
Asset Availability

### Annual Expenses

Percentage of lifestyle expenses to cover

### Education Goals

Description	Name	Start Age	Number of Years	Annual Amount	% to Cover
University Education	Jeremy	18	4	\$1	<input type="text" value="100%"/>

### Surplus Strategy

Percent surplus spent

Percent surplus saved

### Analysis Surplus

☐ Assume surplus is spent

### Additional Expenses

Click the **Add Additional Expense** button to create a new row.

ADD ADDITIONAL EXPENSE

Set Goals section – Disability Income category – Client/Co-client Objectives page – Ongoing Expenses tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

2. Under **Annual Expenses**, enter the percentage of lifestyle expenses the disability insurance will cover. The percentage entered becomes the default for the expenses listed under **Expense**.
3. If education expenses exist in the plan, under **Education Expenses**, enter the percentage of education expenses to be covered in the event of disability.
4. Under **Surplus Strategy**, enter the percentage of the clients' surplus cash flow you assume will be spent in future years, and the percentage you assume will be saved. These fields are especially useful if the clients' expenses are understated.
  - For example, in one of the years after disability occurs, you expect the clients to incur a cash flow surplus of \$10,000. You also expect the clients to spend 25% of this surplus on miscellaneous expenses and to invest the remaining amount. For this example, you would enter 25 in the **Percent surplus spent** field. NaviPlan automatically saves the remaining 75% into a non-registered account.
5. If you want surpluses in the plan to be removed before performing the insurance analysis, select the **Assume surplus is spent** option. This assumption adjusts for account expenses that have not been entered into the plan or when expenses are understated.
  - When the **Assume surplus is spent** option is selected, NaviPlan projects the cash flow that would have occurred in pre-retirement if neither client had become disabled. Any pre-retirement surpluses resulting from that projection become additional pre-retirement disability expenses in the years they are projected to occur. The **Percentage of lifestyle expenses to cover** value also applies to these expenses.
6. If you anticipate additional annual expenses, under **Additional Annual Expenses**, click **Add Additional Expense**, and then enter any anticipated expenses during disability in the fields that appear.
7. If you anticipate additional annual incomes, go to the **Additional Annual Income** tab, click **Add Annual Income**, and then enter any anticipated incomes in the fields that appear.

Assumptions
Ongoing Expenses
Additional Annual Income
Lump Sum Needs
Asset Availability

Enter additional annual income that applies during disability.

Additional Annual Income

ADD ANNUAL INCOME

Click the **Add Annual Income** button to create a new row.

Set Goals section – Disability Income category – Client/Co-client Objectives page – Additional Annual Income tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

8. Once all ongoing incomes are entered, go to the **Lump Sum Needs** tab.

Assumptions   Ongoing Expenses   Additional Annual Income   **Lump Sum Needs**   Asset Availability

Select outstanding liabilities to be paid in full at disability. If items listed under *Pay Off Outstanding Liabilities* are not selected, the assumption is that the regular payments continue and will be part of the client's cash flow needs.

Adjust the *% to Cover* for major purchase goals to be retained in the analysis. If 0 is entered for items listed under *Major Purchase Goals*, the assumption is that the savings and needs required for those goals are not included as part of the survivor's cash flow needs.

Under *Additional Lump Sum Needs*, enter additional needs that may occur in the event of disability.

**Major Purchase Goals**

Description	Amount	Target Date	% to Cover
Vehicle	\$1	Sep 1 2013	100%

**Specify Lump Sum Needs** ADD LUMP SUM NEED

Click the **Add Lump Sum Need** button to create a new row.

Set Goals section – Disability Income category – Client/Co-client Objectives page – Lump Sum Needs tab  
(Level 2 Plan, Goal and Expense Analysis method selected)

9. Under ***Pay Off Outstanding Liabilities***, select any existing loans that will be paid off in the event of disability.  
**Note:** This option is only available if liabilities exist in the plan and, if on the ***Enter Financial Data*** section – ***Net Worth*** category – ***Assets/Liabilities*** page – ***Liability Details*** dialog box – ***Details*** tab, the ***Payoff Options at Death*** selection is ***Transfer to survivor*** or ***Payoff at first death (from estate)***.
10. Under ***Major Purchase Goals***, select any goals that will be paid for in the event of disability.  
**Note:** This option is only available if major purchase goals exist in the plan.
11. If you expect any other lump-sum needs during disability, under ***Additional Lump Sum Needs***, click **Add Lump Sum Need**, and then enter the details of the need in the fields that appear.
12. To indicate when assets are to be made available, complete the procedure **Indicating when accounts are to be made available** on page 136.

## Disability Income: Income Coverage Analysis method

The **Income Coverage Analysis** option must first be selected on the **Set Goals** section – **Disability Income** category – **Client/Co-client Objectives** page. To use the **Income Coverage Analysis** method, follow these steps:

1. Go to the **Lump Sum Needs** tab.

Assumptions
Ongoing Expenses
Additional Annual Income
Lump Sum Needs
Asset Availability

Select outstanding liabilities to be paid in full at disability. If items listed under *Pay Off Outstanding Liabilities* are not selected, the assumption is that the regular payments continue and will be part of the client's cash flow needs.

Adjust the *% to Cover* for major purchase goals to be retained in the analysis. If 0 is entered for items listed under *Major Purchase Goals*, the assumption is that the savings and needs required for those goals are not included as part of the survivor's cash flow needs.

Under *Additional Lump Sum Needs*, enter additional needs that may occur in the event of disability.

Major Purchase Goals

Description	Amount	Target Date	% to Cover
Vehicle	\$1	Sep 1 2013	100%

Specify Lump Sum Needs
ADD LUMP SUM NEED

Click the **Add Lump Sum Need** button to create a new row.

Set Goals section – Disability Income category – Client/Co-client Objectives page – Lump Sum Needs tab  
(Level 2 Plan, Income Coverage Analysis method selected)

2. Under **Pay Off Outstanding Liabilities**, select any existing loans that will be paid off in the event of disability.  
**Note:** This option is only available if liabilities exist in the plan and, if on the **Enter Financial Data – Net Worth – Assets/Liabilities** page – **Liability Details** dialog box – **Details** tab, the **Payoff Options at Death** selection is **Transfer to survivor** or **Payoff at first death (from estate)**.
3. Under **Major Purchase Goals**, enter the percentage of any goals that will be paid for in the event of disability. This section is only available if major purchase goals are entered in the plan with a start date after January 1 of the following year.
4. If you expect lump-sum needs, under **Additional Lump Sum Needs**, click **Add Lump Sum Need**, and then enter the details of the need in the fields that appear.
5. Once all lump-sum needs are entered, go to the **Annual Income Needs** tab.
6. If you anticipate annual income needs, under **Annual Income Needs**, click **Add Annual Income Need**, and then enter the pre-tax income need details in the fields that appear.
7. Under **Education Goals**, enter the percentage of education goals the disability income will need to cover. This section is only available if education goals are entered in the plan.
8. Once all annual income needs are entered, go to the **Income Available** tab. Disability insurance policy benefits, Social Security benefits, salaries, rental income, and pensions from the non-disabled client are listed.

Assumptions Lump Sum Needs Annual Income Needs **Income Available** Asset Availability

Enter any incomes that the clients will receive if either of them is disabled or any additional income the clients will receive, for example, if one must return to work to support the disabled person. If the disability occurs during the retirement period, any pension benefits entered on the *Financial Picture - Cash Flow* page will flow through to the current page.

Click **Reset** to delete any changes and refresh the income list with the regular incomes entered on the *Financial Picture - Cash Flow* page.

Income Available During Disability Reset **ADD DISABILITY INCOME**

Click the **Add Disability Income** button to create a new row.

Set Goals section – Disability Income category – Client/Co-client Objectives page – Income Available tab  
(Income Coverage Analysis method selected)

9. Enter any additional incomes that the client or co-client will receive during disability.
10. To add a new row, click **Add Disability Income**.
11. To indicate when assets are to be made available during the disability period, complete the procedure **Indicating when accounts are to be made available** below.

**Note:** To delete any changes and revert to the disability incomes that were created on the *Enter Financial Data – Cash Flow* page, click **Reset**.

#### Indicating when accounts are to be made available

On the Set Goals section – **Disability Income** category – **Client/Co-client Objectives** page – **Asset Availability** tab (for either the Goal and Expense Analysis method or the Income Coverage Analysis method), you can indicate when assets are to be made available.

1. Go to the **Asset Availability** tab.

Assumptions Lump Sum Needs Annual Income Needs **Income Available** **Asset Availability**

Use this page to control asset availability for disability needs.

**Investment Accounts**

Account Name	Available At Disability	Available Starting At Retirement	Not Available
New account (Joint/Non-Reg.)	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Lifestyle Assets**

Asset Name	Liquidate Immediately	Liquidate At Retirement	Not Available
Principal Residence (Robert/Lifestyle)	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

**Education Specific Accounts**

The current plan does not have any education specific accounts defined.

Set Goals section – Disability Income category – Client/Co-client Objectives page – Asset Availability tab (Level 2 Plan, Detailed Tax method)



2. Under ***Investment Accounts***, select one of the following options for each account:
  - **Available At Disability**, if the account is available for disability needs immediately when the client becomes disabled.
  - **Available Starting At Retirement**, if the account is not available for disability needs until retirement.
  - **Not Available**, if the account is not available for disability needs.
3. Under ***Lifestyle Assets*** and ***Business Entity Assets***, select one of the following options for each asset:
  - **Liquidate Immediately**, to sell the asset immediately if disability occurs.
  - **Liquidate At Retirement**, to sell the asset at retirement if disability occurs.
  - **Not Available**, to hold the asset during disability.

The ***Education Specific Accounts*** section is for information purposes only and cannot be modified. The list includes RESPs.

## Long-term care insurance goals (Level 2)

Long-term care refers to services provided to people who can no longer take care of themselves. Long-term care insurance policies are available to cover anticipated expenses should long-term care be required.

To enter data and assess needs for the client or co-client, follow these steps:

1. Go to the **Set Goals – Long-term Care – Client/Co-client Objectives** page.
2. Under **Objectives**, select **If <client/co-client> is in Long-term Care**.

Client Objectives Co-client Objectives << >>

Select the checkbox to activate long-term care analysis for Robert. The plan will simulate Robert entering long-term care and analyze the plan over the long-term care period. \* Required

**Objectives**

☒ If Robert requires long-term care services

**Assumptions** LTC Expenses Income Adjustments During LTC Asset Availability

Robert will enter LTC at age  in the year

LTC period years  ⓘ

ⓘ Assumption is that Robert dies at the end of the LTC period.

**ROR on Surpluses & Liquidations**

Total	Interest	Dividends	Capital Gains	Deferred Growth
<input type="text" value="6.00%"/>	<input type="text" value="6.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>	<input type="text" value="0.00%"/>

For lifestyle assets that are available immediately, you can specify the rate of return on the proceeds from the sale of the asset by entering values in the rate of return fields.

Set Goals section – Long-term Care category – Client/Co-client Objectives page – Assumptions tab  
(Level 2 Plan, Average Tax method selected)

3. On the **Assumptions** tab, define the age at which the client or co-client will enter long-term care and the duration of the long-term care period. NaviPlan assumes that the client will die at the end of the long-term care period.
4. Under **ROR on Surpluses & Liquidations**, enter the expected return rates.
5. **A. Tax** ⓘ To override tax rates, select **Override Tax Rates**, and then enter the tax rates you wish to use. Changing the tax rates here only affects the tax rates for long-term care insurance calculations. It does not affect rates used in the rest of the plan. The default values on this page originate from the **Plan Management** section – **Assumptions** category – **General** page.
6. Go to the **LTC Expenses** tab to enter daily long-term care expenses. Existing expenses that continue into the LTC period appear under **Annual Expenses**. Any insurance premiums or loan payments payable during long-term care are included on this tab and cannot be edited.

Assumptions | **LTC Expenses** | Income Adjustments During LTC | Asset Availability

Use this page to view currently-defined annual expenses and add any additional expenses applicable to a long-term care situation.

### Annual Expenses

Percentage of lifestyle and medical expenses to cover during

Long-term Care	Survivorship
100%	85%

### Additional Long-term Care Expenses

Click the **Add LTC Expense** button to create a new row.

**ADD LTC EXPENSE**

Set Goals section – Long-term Care category – Client Objectives page – LTC Expenses tab (Level 2 Plan)

- Under **Annual Expenses**, enter the percentage of lifestyle and medical expenses that will continue while the client is in long-term care and during survivorship. The percentage entered will be used as the default.
- To change the default percentage for specific expenses, clear the **Use Defaults** option, and then enter the percentage of that expense that insurance needs to cover.
- If your clients anticipate additional long-term care expenses, under **Additional Long-term Care Expenses**, click **Add LTC Expense**, and then enter the expense details in the fields that appear.
- For expenses that occur when long-term care begins, the **Start Date** field displays **LTC**. You can enter a later start date if necessary.
- You can change the end date by editing the **Number of Years** or the **End Date** fields.
- Go to the **Income Adjustments During LTC** tab. All incomes entered into NaviPlan for this client and received by the client during the long-term care period appear on this tab.

Assumptions | **LTC Expenses** | **Income Adjustments During LTC** | Asset Availability

Modify the percentage of income in the *Owner in LTC* field, if the client expects to receive regular income during LTC.

### Existing Incomes

Description	Income Type	Frequency	Amount	Start Date	End Date	Infl +/- Add'l	Owner in LTC
Other Taxable	Other Taxable	Monthly	\$0	Ret. (Ow...	Death (O...	+ 0.00%	100%

Set Goals section – Long-term Care category – Client Objectives page – Income Adjustments During LTC tab (Level 2 Plan)

- In the **Owner in LTC** field, specify the percentage of the income available to the client or co-client during long-term care.
- Go to the **Asset Availability** tab.

Assumptions
LTC Expenses
Income Adjustments During LTC
Asset Availability

Use this page to control asset availability for long-term care needs.

### Investment Accounts

Account Name	Available During LTC	Not Available
New account (Joint/Non-Reg.)	<input checked="" type="radio"/>	<input type="radio"/>

### Lifestyle Assets

Asset Name	Liquidate at LTC	Not Available
Principal Residence (Robert/Lifestyle)	<input type="radio"/>	<input checked="" type="radio"/>

### Education Specific Accounts

The current plan does not have any education specific accounts defined.

Set Goals section – Long-term Care category – Client Objectives page – Asset Availability tab (Level 2 Plan)

15. Under **Investment Accounts**, select one of the following options for each account:
  - **Available During LTC**, if the account is available for long-term care needs immediately when the client enters long-term care.
  - **Not Available**, if the account is not available for long-term care needs.
16. Under **Lifestyle Assets**, and **Business Entity Assets**, select one of the following options for each asset:
  - **Liquidate at LTC**, to sell the asset if a client enters long-term care.
  - **Not Available**, to hold the asset during the client's long-term care period.

The **Education Specific Accounts** section is for information purposes only and cannot be modified. The list includes RESPs.

## Critical illness insurance goals (Level 2)

Critical illness refers to a medical condition where the likelihood of death is high. Unexpected medical and non-medical expenses often occur as a result of this condition. Critical illness insurance policies are available to cover these expenses.

To enter lump-sum critical illness expenses, follow these steps:

1. Go to the **Set Goals – Critical Illness** page.

Client Objectives
Co-client Objectives
<< >

Enter any lump sum expenses here that will be incurred in the event of a critical illness. All expenses will occur on January 1<sup>st</sup>, 2014. \* Required

**Note:** Insurance premiums for life, disability, critical illness, and long-term care should be added under the appropriate policy section.

Critical Illness Insurance Lump Sum Expenses

ADD CRITICAL ILLNESS LUMP SUM EXPENSE

Description <span style="color: red;">+</span>	Type	Amount	Infl +/- Add'l	Actions
Critical Illness Expense	Non-Medical <span style="border: 1px solid #ccc; padding: 2px;">v</span>	\$0	<input checked="" type="checkbox"/> + 0.00%	<span style="color: red;">✕</span>

Select outstanding liabilities to be paid in full at critical illness. If items listed under *Pay Off Outstanding Liabilities* are not selected, the assumption is that the regular payments continue and will be part of the client's cash flow needs.

Pay Off Outstanding Liabilities

Set Goals section – Critical Illness category – Critical Illness page

2. To add a new expense, click **Add Critical Illness Lump Sum Expense**.
3. Enter all applicable medical and non-medical expenses that the client and co-client will incur if critical illness occurs.

---

## Chapter 10: Examining results

After you have entered your clients' financial information and goals into a plan, you can prepare and generate results. When you are satisfied with the results, you can generate professionally designed client reports that you can distribute to your clients.

### In this chapter:

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## Viewing goal coverage progress

NaviPlan allows you to quickly view **Current Results** for clients' projected net worth, cash flow, and goal coverage progress based on the information you have entered in the analysis so far. It also recommends steps that clients could take to achieve 100% goal coverage.

**Current Results** are available for the following goal types:

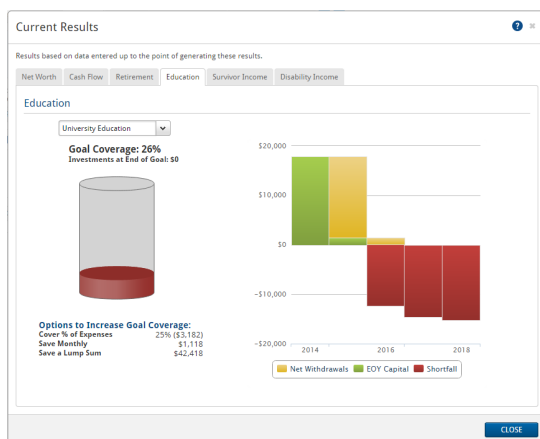
- Retirement
- Education
- Major Purchase
- Survivor Income
- Disability Income

**Note:** The actual goals that appear your screen will depend on the modules you selected on the **Modules** screen during goal creation.

## Tracking net worth and cash flow projections/Viewing goal coverage progress

To track projections of clients' net worth and cash flow or to view their goal coverage progress, follow these steps:

1. Go to the **Quick Actions** menu and select **Current Results**.
2. Select either the **Net Worth** or **Cash Flow** tab to view projections of the clients' financial situation.
3. Select a tab for one of the goals for which you would like to view the coverage.
  - The goal coverage graphs are interactive - hover over a bar to view the details for that particular year.
  - You can click on labels in the graph key to hide or display the associated category from the graph.
4. View suggested methods to achieve 100% goal coverage under **Options to Increase Goal Coverage**.
5. Once you've reviewed your clients' progress and the suggested options to increase coverage, click **Close** to return to where you left off.



Current Results dialog box – Education tab

## Using the Planning Assistant

The **Planning Assistant**™ displays a broad overview of the potential success of the plan. It summarizes potential problems, opportunities, and questions. You can use the **Planning Assistant** reports to analyze the financial data in your clients' current or recommended plan.

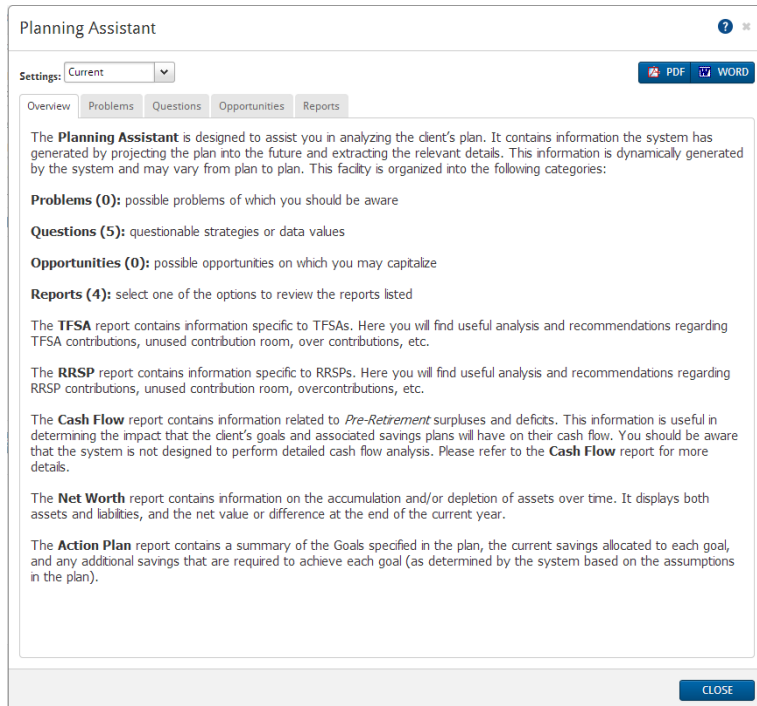
These reports identify the strengths and weaknesses of the plan. In some cases, the reports identify something discretionary that does not apply to the current plan and can be ignored. In other cases, the reports identify an improvement that could be made with a simple data change. Sometimes, following the recommendations requires using one or more financial planning strategies.

You can open the **Planning Assistant** from the **Quick Actions** menu while working in any plan.

## Opening the Planning Assistant

To open the **Planning Assistant**, follow these steps:

1. From the **Quick Actions** menu, select **Planning Assistant**.



Planning Assistant dialog box

2. From the **Settings** menu, select the plan type you want to analyze. The **Current** option is based on the plan in which you are working. The **Recommended** option represents the **Recommended Plan** scenario, which takes into account additional assumptions and strategies including those selected in the **What Are My Options?** dialog boxes found throughout NaviPlan.
3. Click a tab to view detailed information.

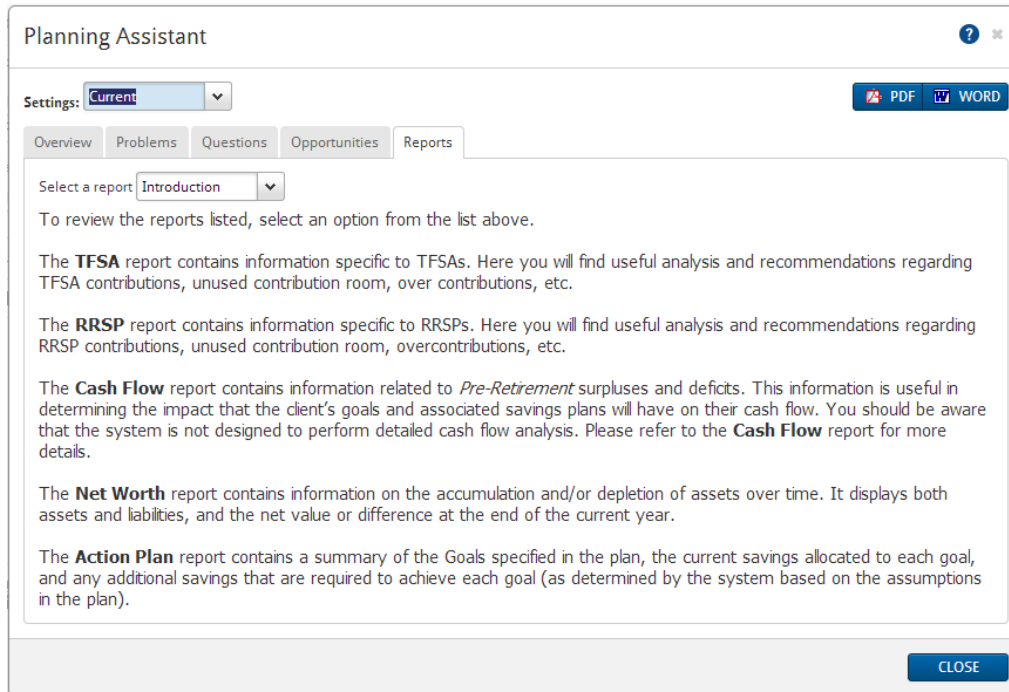


## Viewing and/or printing the Planning Assistant reports

The **Reports** tab and the **Overview** tab provide a synopsis of the other **Planning Assistant** reports.

To view or print the **Planning Assistant** reports, follow these steps:

1. Open the **Planning Assistant**, select either **Current** or **Recommended**, and then go to the **Reports** tab.



Planning Assistant dialog box – Reports tab

2. Select one of the following reports:

- **Introduction** – A summary of each of the reports available to you in the **Planning Assistant**.
- **TFSA Contribution Limits** – Details about TFSA contributions, unused contribution room, overcontributions, and pension adjustments.
- **RRSP Contribution Limits** – Details about RRSP contributions, unused contribution room, overcontributions, etc.
- **Cash Flow** – Summary of pre-retirement cash flow surpluses and deficits. This information is useful for seeing how the clients' cash flow is affected by their goals and associated savings strategies.  
**Note:** The **Planning Assistant** is not designed to perform a detailed cash flow analysis. For a more detailed report, you can access the **Cash Flow Details** report from the **Reports** menu.
- **Net Worth** – Summary of all the assets and liabilities entered into the plan for the clients (client, co-client, and joint ownership) and the net value and accumulated surplus/deficit at the end of the plan year.
- **Action Plan** – Summary of the goals specified in the plan, the current savings allocated to each goal, and any additional savings that are required to achieve each goal.

3. To print the **Planning Assistant** report displayed on the current tab, click **PDF** or **Word**. The report generates in its own window and can be printed from your desktop.

## Using reporting options in NaviPlan

NaviPlan offers three primary report types:

- **Standalone Reports** allow you to verify the numbers after you have entered your clients' financial information and goals. These are intended for your use or to review information prior to meeting with your clients. They feature a straight-forward layout and focus on numbers.
- **Next-Gen Reports** summarize a client's plan using a modern, professional design. Their easy-to-understand content and format is intended to be shared with clients. Next-Gen reports are available for each category in the left navigation bar.
- **Client Reports** are traditional, figure-focused reports that summarize a client's plan. Client reports have a simple layout and focus on numbers without the contextual explanations of Next-Gen reports.

### Standalone reports and graphs

After you have entered your clients' financial information and goals, you can verify the results by generating standalone reports and graphs. The available options depend on the plan level selected.

To generate a standalone report or graph, follow these steps:


1. From the **Quick Actions** menu – **Reports** menu, select a report category (and if applicable, a subcategory), and then select the report or graph you want to generate.



Reports menu (Level 2 Plan, Detailed Tax method)

Depending on the report or graph type selected, the **Assign Settings** dialog box may open. The contents of this dialog box varies depending on the report selected.

2. If applicable, enter the settings details, and then click **OK**.

3. If a **Report Year** field appears in the **Assign Settings** dialog box (e.g., for the **Cash Flow Details** report) and you want to report on a different year, after you have generated the report in the report window, click **Previous Year** or **Next Year**. NaviPlan redisplay the report based on the applicable year.
4. To redisplay the report settings, click **Report Settings** at the bottom of the report window. To hide the settings again, click **Report Settings**.
5. To generate a report or graph that you can print or distribute, beside the **PDF** or **Word** button, click the  button, and then select **Automatic**, **Portrait**, or **Landscape**. The report or graph generates as a PDF or Word file.

**Note:** Selecting **Automatic** generates a report or graph using NaviPlan's default printer orientation.
6. If you made changes to the plan and the report window is still open, click **Refresh** to update the report.
7. To duplicate the report or graph, click **Duplicate**. NaviPlan creates a duplicate and displays it next to the original in the same window.
8. To generate a report or graph from within an open stand-alone report or graph window, click **Report**.

Report categories	Examples of the tasks you can perform
<b><i>Favourite Reports</i></b>	Keep reports that you use frequently readily available.
<b><i>Summary</i></b>	View an action plan for the clients' investments, redemptions, insurance, and debt. View a synopsis of the data entered into the plan. View the results of the <b>Planning Assistant™</b> report. Compare differences between the current plan and the recommended plan.
<b><i>Net Worth</i></b>	View account and holding details. Compare summary or detailed changes in net worth over time. View composition and activity details for the clients' assets and liabilities.
<b><i>Cash Flow</i></b>	Monitor changes in cash flow activity. Examine current and projected cash flow on a single or multi-year basis. View the effects of taxes and capital loss carryovers. Monitor changes in projected surpluses and deficits.
<b><i>Income Tax</i></b>	Monitor income tax changes and capital loss carryovers. If you are using the Detailed Tax method, additional income tax reports are available.
<b><i>Goals</i></b>	View details of goals and goal savings. Compare goal needs with current and projected goal funding. View summaries for each goal.
<b><i>Asset Allocation</i></b>	Compare current and suggested asset mixes, asset class weightings, and the efficient frontier. If you are using predefined asset allocation, examine risk score and questionnaire results.
<b><i>Insurance</i></b>	Analyze the effects of death, disability, critical illness, long-term care, and insurance on cash flow. Analyze the effects of asset redemptions at death, during disability, if critically ill, and for long-term care.
<b><i>Estate</i></b>	View the value of the clients' estates in a given year. Monitor changes to the value of the clients' estates and how taxes, expenses, and benefits may affect it.
<b><i>Needs vs. Abilities</i></b>	Compare goal type needs with abilities to meet those goals (all goals of the same type are grouped together in the same graph).

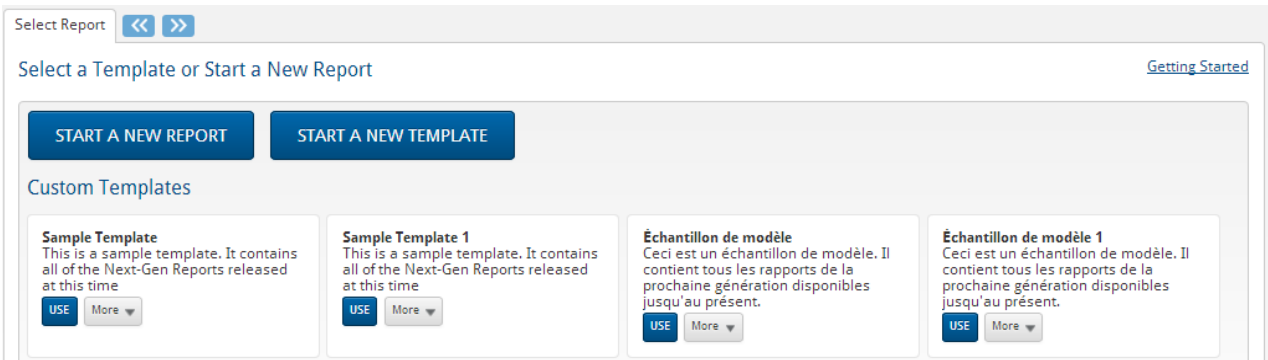
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Report categories	Examples of the tasks you can perform
<i><b>Capital Accumulation and Redemption</b></i>	Analyze the accumulation and redemption of capital used to fund a goal type or all goals.
<i><b>Deficit Coverage</b></i>	Compare deficit coverage assets to deficit coverage sells (Detailed Tax method only).
<i><b>Monte Carlo</b></i>	Analyze the probability of plan success given random asset returns based on the standard deviation assigned to each account and holding.

---

## Next-Gen Client Reports

Client reports can be accessed from the **Results – Client Reports** section.

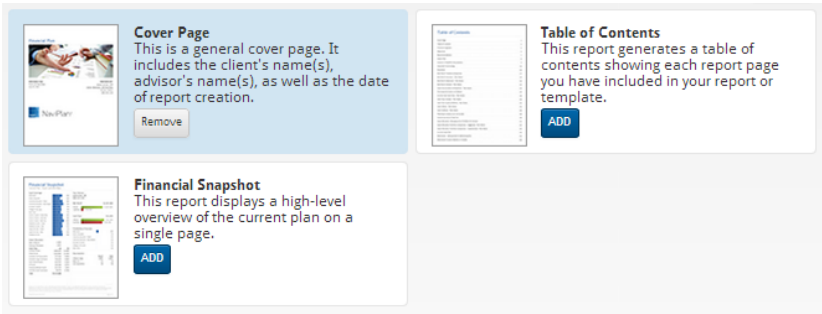


Results category – Client Reports – Select Reports page

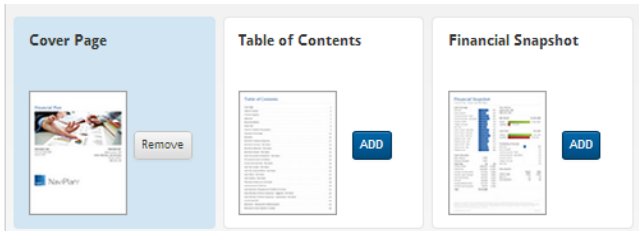
Term	Definition
Report Page	A report page is a single topic. Each tile on the <b>Build Report</b> page adds pages to your report.
Report	A report is a collection of report pages. After you have added each of the report pages you wish to present to your clients on the <b>Build Report</b> page, the output is called a report.
Template	A template is a report that has been saved for multiple uses. By saving reports as a template you can present the same set of report pages to all of your clients saving you time and ensuring consistency.

Report Pages can be viewed as tiles or panels by selecting either or at the top of the page.

Tile View ()



Panel view ()



## Creating a new report

For a guided walkthrough to help you get started, on the **Build Report** page, click **Getting Started** above the **Selected Pages** panel. You're also welcome to send us your suggestions by clicking **Feedback**.

[Feedback](#)

[Getting Started](#)

Follow these steps to create a new report:

1. From the **Select Report** page, select **Start a New Report**.
2. Use the **Select a category** menu to display a list of report pages for each category.
3. Report pages are displayed as tiles. Select **Add** for each tile you want to include in your report. To remove a tile, select **Remove**.
  - Report tiles are categorized by the following sections:
    - **Content**: Dataless pages that provide an overview of the financial topic at hand. These provide context to reports and relate plans in a way that clients can understand.
    - **Summary**: Pages that cover clients' progress toward achieving their goal based on their current situation. These contain easy follow graphs and images.
    - **Current Plan**: Pages that summarize data for each goal in the current plan. These pages are numbers-oriented and often contain projection tables.
4. Review the order of report pages in the **Selected Pages** panel. The order displayed here matches the order in which reports will appear when generated.
  - To edit the position of report pages, drag and drop the page titles into the order you would like.

**Tip:** You can quickly select all report pages on the **Selected Pages** panel by clicking the **Select All** link.

5. When you are satisfied with these options, select **Build Report**.

**Tip:** If you run out of space on the **Select Pages** panel, you can select **Expand**  to enlarge the panel.

## Adding custom content to a report

Follow these steps to add your own supplementary content (e.g. client's wills, other estate planning documents, etc.) in PDF format to a report:

1. From the **Build Report** page, select the **Custom Content** report tile.
2. Use the **Choose File** button to find your custom PDF.
3. Enter a **Title** for the custom content.
4. When you are satisfied with these options, click **OK**.

**Note:** The following requirements apply:

- Maximum of 1 PDF per report (10MB or less).




### Converting reports to Microsoft Word output

Follow these steps to convert any generated report into a Microsoft Word (.docx) export file:

1. Select the pages to include in your report, then click **Build Report**.
2. Once the report is generated a blue bar appears near the top of the page. From this bar, click **Convert to Microsoft Word** to generate the report in Word format.

### Creating a new report template

Follow these steps to create a new template:

1. From the **Select Report** page, select **Start a New Template**.
2. Select  to enter a name and description for the template.
3. Use the **Select a category** menu to display a list of report pages for a category.
4. Report pages are displayed as tiles. Select **Add** for each tile you want to include in your template. To remove a tile, select **Remove**.
  - Report tiles are categorized by the following sections
    - **Current Plan:** Pages that summarize data for the current plan. These pages are numbers-oriented and often contain projection tables.
5. Review the order of report pages in the **Selected Pages** panel. The order displayed here matches the order in which reports will appear when generated.
  - To edit the position of report pages, drag and drop the page titles into the order you would like.
6. When you are satisfied with these options, select **Save**.
  - If you have not yet entered a name for your template, you will be prompted to do so now.

### Using a template to create a report

Follow these steps to generate a report using an existing template:

1. From the **Select Report** page, find the template you want to use to create a report and select **Use**.
2. When you are satisfied with these options, select **Build Report**.

## Traditional client reports

The following client reports are available in NaviPlan for Level 1 and Level 2 Plans and are accessible from the **Results – Client Report** page:

Client report	Description
<b>Financial Needs Assessment</b>	This report provides an overview of the clients' current financial situation and indicates whether the clients' goals are attainable.
<b>Asset Allocation</b>	This report demonstrates the effects that the clients' time horizon, risk tolerance, and asset allocation have on their portfolio returns. The clients' portfolio is calculated based on their existing accounts and related holdings.
<b>Financial Needs Summary</b>	This report provides an overview of your clients' current financial situation with special emphasis on their retirement goal. Typically, this report is used when the recommended plan has been finalized as the final presentation to the clients.
<b>Retirement Distribution Summary</b>	This report is useful to clients who are nearing or at retirement, and provides an in-depth review of the plan retirement period and the distribution of income the clients may expect in retirement. The report focuses on the apparent risks in the clients' current plan and how those risks have been reduced by strategies implemented in the proposed plan. It also shows a review of the fixed and total incomes as well as expenses during retirement.
<b>Financial Needs Analysis</b>	<b>Level 2</b> This report provides a comprehensive view of the entire plan, including a summary of the clients' needs and objectives, the financial assumptions used in preparing the financial analysis, as well as additional strategies that could be implemented to achieve the objectives. The report includes summaries of the various analyses performed and recommendations and strategies that could be used to meet the clients' objectives. A synopsis of the analysis data is included.

To generate a client report, follow these steps:

1. Go to the **Results – Client Report** page.

Client Report << >>

Use this page to generate client reports.

Alternatively, to see the status of or print generated reports, go to the **Workflow** section - **Status** category - **Status** page.

Include Alternatives In Reports...

### Reports

Report Name	Template	Action	Status	Submission Time
Financial Needs Assessment ?	(Current Template) ▼	SELECT DOCUMENT SECTIONS... GENERATE		
Asset Allocation ?	(Default Template) ▼	SELECT DOCUMENT SECTIONS... GENERATE		
Financial Needs Summary ?	(Default Template) ▼	SELECT DOCUMENT SECTIONS... GENERATE		
Retirement Distribution Summary ?	(Default Template) ▼	SELECT DOCUMENT SECTIONS... GENERATE		
Financial Needs Analysis ?	(Current Template) ▼	SELECT DOCUMENT SECTIONS... GENERATE		

To view the list of all the generated reports, go to the [Client Report Monitor](#)

Results section – Client Reports category – Client Report page

- To include alternative plans in the client reports, click **Include Alternatives In Reports**, and then select the alternative plans to include.

**Note:** The current and recommended plans are always included.

### Include Alternatives In Reports ? ✕

Select the alternative scenarios to be included in the reports from the lists below.

Scenario	Scenario Name
Current	Current Plan
Recommended (Proposed)	Alternative 1
Alternative A	<input type="text"/> ▼
Alternative B	<input type="text"/> ▼

OK CANCEL

Include Alternatives In Reports dialog box

- If applicable, select a template to use for the report.
- Click **Select Document Sections** for the report you want to generate.

Select Document Sections - (Default Template)
?

Select the sections to be included in the report, and then click **Generate Report** to continue.

The order in which document sections appear in the report can be changed. To change where a section appears, drag it to the preferred location in the list.

☒ Overview
☒ Current Financial Position
☒ Asset Allocation
☒ Retirement
☒ Attainable Retirement
☒ Education
☒ Major Purchase
☒ Emergency Fund
☒ Disability Insurance
☒ Life Insurance
☒ Long-Term Care
☒ Goal Attainability
☒ Conclusion
☒ Appendix
☒ Scenario Probability Assumptions
☒ Important Terminology
☒ Disclaimer
☐ Delivery Acknowledgement

Save as Template...

Select All

Select None

GENERATE REPORT

OK

CANCEL

Select Document Sections dialog box

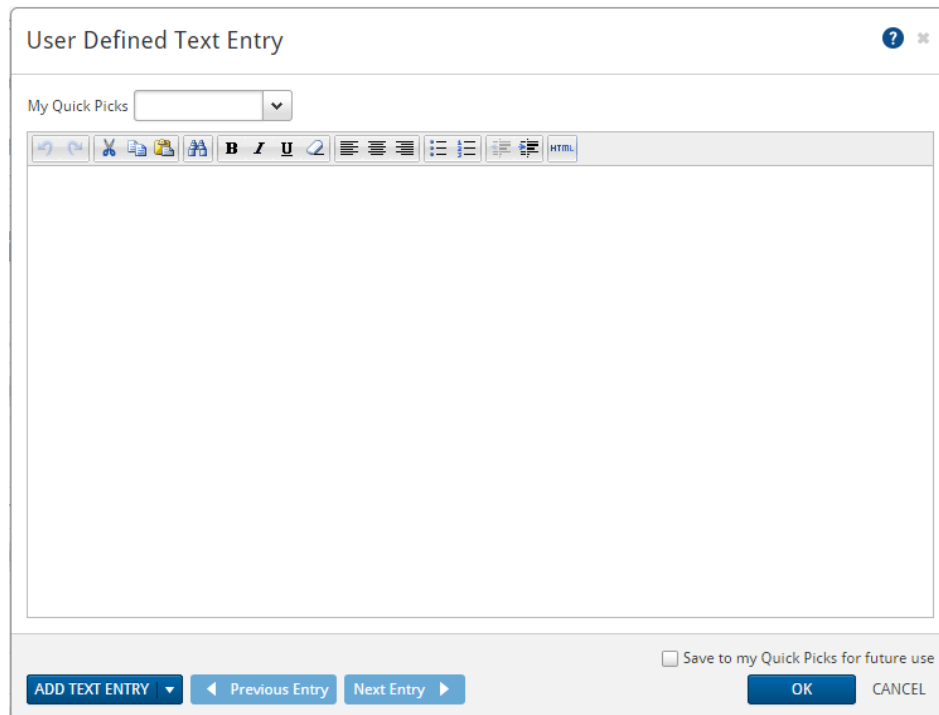
- Select the sections you want included in the report.
- To view the subsections for a section, click the + beside that section. The menu expands and subsections appear. Select or clear the options for the appropriate subsections.
- To reorder report sections, click an applicable section, and then drag it to another location.
- To save your selections as a template for this type of client report, click **Save as Template**. Enter a name for the template, and then click **OK**.  
The templates you create can be managed on the **User Preferences - System Settings** dialog box – **Templates** tab (**Settings** menu – **System Settings**).
- Click **OK**. NaviPlan saves your selections.
- To generate the report, click **Generate**. If you generated this report before, this button appears as **Regenerate**. If you are using NaviPlan Online, the **Status** column updates. To view the report or view the status of other reports, see **Using the Client Report Monitor** on page 159.  
**Note:** In NaviPlan Offline, you may have to click **Refresh** to update the **Status** column.

## Preparing custom text for reports

In NaviPlan, you can create and customize text that will be included in client and Next-Gen reports. Personalize your plans and presentations by entering text on goal progress, recommendations, and any specific action items you would like clients to pursue.


To enter personalized text for reports, follow these steps:

1. Go to the **Results – User Defined Text** page.
2. Under **User Defined Text Summary**, select the goal or category for the user-defined text.
3. Under **Objectives, Recommendations, or Action Plan**, click **Add**.





The image shows a 'User Defined Text Entry' dialog box. At the top, there's a title bar with a question mark icon and a close button. Below the title bar is a 'My Quick Picks' dropdown menu. The main area is a large text input field with a rich text editor toolbar above it. The toolbar includes icons for undo, redo, cut, copy, paste, bold, italic, underline, link, unlink, bulleted list, numbered list, decrease indent, increase indent, and a 'HTML' button. At the bottom of the dialog, there's a checkbox labeled 'Save to my Quick Picks for future use'. Below the checkbox are four buttons: 'ADD TEXT ENTRY' (with a dropdown arrow), 'Previous Entry' (with a left arrow), 'Next Entry' (with a right arrow), 'OK', and 'CANCEL'.

User Defined Text Entry dialog box

4. Enter the text in the dialog box, and then use the formatting buttons where applicable.  
**Note:** A spelling checker is not available. Use your browser's spell-check or copy and paste plain text from Microsoft Word. Graphics are not supported.
5. If you would like to use this text across multiple plans or with multiple clients, select the **Save to my Quick Picks for future use** option.
6. When you are finished, click **OK**.
7. To edit an existing entry, click  to reopen the **User Defined Text Entry** dialog box for that entry.
8. To reorder entries within a category, click **Move Up** or **Move Down**.
9. Repeat steps 2–8 until all your entries are complete.

### Managing quick picks for user-defined text





To access and manage any existing quick picks, follow these steps:

1. On the **User-Defined Text** page, select a goal or category from the **User Defined Text Summary** menu.
2. Click **Manage My Quick Picks**.
3. A list of all quick picks saved for the goal or category will appear.
  - To add a new quick pick, click **Add**.
  - To edit the content of an existing quick pick, click .
  - To delete a quick pick, click .
4. Once you've finished managing your quick picks, click **OK**.

### Adding user-defined text to Next-Gen reports

To add your user-defined text to Next-Gen reports, follow these steps:

1. Go to the **Results – Next-Gen Reports** page.
2. On the **Select Report** page, select either an existing template or click **Start a New Report**.
3. From the **Select a category** menu, select a goal or category.
4. Depending on the type(s) of user-defined text you entered (Objectives, Recommendations, or Action Plan), a report page will appear under the **Content** section.
5. Click **Add** to include the page(s) containing your user-defined text in the report.

 <p><b>Objectives</b> This report displays any user-defined text you have provided for your clients' financial goals.</p> <p><b>ADD</b></p>	 <p><b>Recommendations</b> This report displays the recommendations you have entered on the User-Defined Text page.</p> <p><b>ADD</b></p>
 <p><b>Action Plan</b> This report displays the action plans you have entered on the User-Defined Text page.</p> <p><b>ADD</b></p>	 <p><b>Tax Considerations</b> This report displays a list of important and timely changes in tax law.</p> <p><b>ADD</b></p>

## Using the Client Report Monitor

The **Client Report Monitor** allows you to continue using NaviPlan while generating traditional client reports, can take between a few seconds to a few minutes.

Each time you click the **Generate** button for a report, NaviPlan creates a request in the **Client Report Monitor** and generates the report. You can view all requested and generated reports, only those reports with a **Completed** status can be opened. The **Client Report Monitor** is available from all the following areas:

- **Quick Actions** menu - **Reports**
- **Results – Client Report** page
- **Workflow – Status** page

To use the **Client Report Monitor**, follow these steps:

1. Generate a client or progress report  
OR  
From the **Quick Actions - Reports** menu, select **Client Report Monitor**.
2. Do one of the following:

To...	Do this...
List all reports for which you have access	Clear the <b>Show only reports for this plan</b> option.
View a complete report	Click the link for a report with the <b>Completed</b> status. The report opens in the format specified under <b>System Settings – Report Format</b> .
Delete a report	Click <b>X</b> for the applicable report, or click <b>Delete All</b> to delete all listed reports, and then click <b>OK</b> .

**Note:** If you close the **Client Report Monitor** while a report is generating the report will continue to process while you work in other areas of NaviPlan. If needed, you can generate additional reports while other reports are being processed. NaviPlan generates each report independently.

## Adding notes for your own personal use

In NaviPlan, you can add notes for yourself that are not seen by the clients.

To enter personalized text for reports, follow these steps:

1. On any page within an open plan, go to **Quick Actions** menu - **Notes**, and then select **Add Note**.

Notes menu – Add Note – Notes dialog box

2. Enter the text into the dialog box, and then use the formatting buttons where applicable.  
**Note:** A spelling checker is not available. Use your browser's spellcheck or copy and paste plain text from Microsoft Word. Graphics are not supported.

To view and print all notes that were entered for this plan, follow these steps:

1. On any page within an open plan, go to **Quick Actions** menu - **Notes**, and then select **View All Notes**.



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